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Annual Report



Lancaster,
New Hampshire

1986

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(Cover photo): The first iron bridge across the Israels River, which was built in 1888. The Town Hall is the old meeting house which was built in 1794, moved to this spot in 1845, and then remodelled. (Photo furnished by Lancaster Historical Society)

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Elected Officials

Selectmen

John P. Martin	1987
Michael W. Beattie	1988
Dean H. Wesson	1989

Moderator

Robert D. Calamari	1988
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Town Clerk

Jean E. Oleson	1987
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Town Treasurer

Michael W. Nadeau	1987
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Supervisors of the Check List

Constance Cardinal	1988
Clifford A. Rowe	1990
Robert C. Rich	1992

Trustees of Trust Funds

Dennis Merrow	1987
Mary Jane Falkenham	1988
Daniel J. Truland	1989

Library Trustees

Albert Tetreault	1987
Eva Matthews	1988
Michael Nadeau	1989

Col. Town Spending Committee

Clifford A. Rowe	1987
James B. Fitch	1987
Ronald N. Bailey	1987
Harrison Southworth	1988
Philip Page, D.V.M.	1988
Elwin Falkenham, M.D.	1988
James Hampton	1989
Jeffrey Gilman	1989
Geraldine Tetreault	1989

Col. Town Investment Committee

Douglas B. McCaig
Richard Rochefort
Kevin Kopp
James Seppala

Dennis Merrow
Roger Gingue
Kenneth C. Baker

Cemetery Trustees

Betty E. Newell	1987
Raymond Wheeler	1988
Ronald N. Bailey	1989

Emmons Smith Fund Committee

Eleanor D. Kenney	1987
Jean Foss	1988
Mary B. Smith	1989

Budget Committee

Lee Eastman, Sr.	1987
Philip Page, D.V.M.	1987
Janet M. Ouellet	1987
Atty. Robert D. Calamari	1988
Howard R. Piche	1988
James Seppala	1988
Charlotte D. Quay	1989
Aurore Hood	1989
Dennis Merrow	1989

Representative of the Budget Committee

Michael W. Beattie

APPOINTED

Town Manager

Overseer of Public Welfare

Tax Collector - Building Inspector

Donald E. Crane

Deputy Tax Collector, Water/Sewer Collector

Ann M. Huddleston

Town Accountant

Michael W. Nadeau

Town Counsel Atty. Robert D. Calamari (resigned) Atty. Paul Donovan

Health Officer

Elwin R. Falkenham, M.D.

Public Health Nurse

Roberta Daycock, Director

Zoning Board of Appeal

Carl Ramsdell	1987
Eleanor D. Kenney	1987
Paul E. Thurston	1988
Chester Savage, Jr.	1988
Philip Page, D.V.M.	1989

Planning Board	
Dean H. Wesson	1987
Paul T. Crane	1987
Atty. Paul Desjardins	1987
Wayne Marshall	1988
George Smith	1988
Aurore Hood	1989
Roger Gingue	1989

Conservation Commission	
Priscilla Handler	1987
Dana Blais	1987
Fred Emerson	1988
Irene Connary	1988
Richard C. Belmore	1989
Robert Napolitano	1989

Town History Committee	
Faith Kent	Glenn S. Sheridan
Edna E. Whyte	James B. Fitch
Cecile Costine	

Housing Authority	
Dennis Merrow	Kevin Kopp
Millard Martin, Jr.	James Seppala

Librarians
 Barbara Robarts
 Holly Verrier

Fire Chief
 David Fuller (Appointed 12/84)

Chief of Police
 Allvin L. Leonard

Superintendent of Recreation
 Louis F. Leaver

Water Department Foreman
 Roger N. Emery

Highway Foreman
 James Savage

Ambulance Corp Director
 Daniel J. Truland

Report to Citizens

It's a privilege to have the opportunity to participate in the preparation of the within annual report of the community. The financial position of the town is sound and detailed in this report, it deserves your examination.

A new police station was constructed this year and will be ready for occupancy early 1987. The Town Meeting's overwhelming favorable vote to construct the building was rewarding.

The wastewater treatment facility in the Grange area was completed and went into operation.

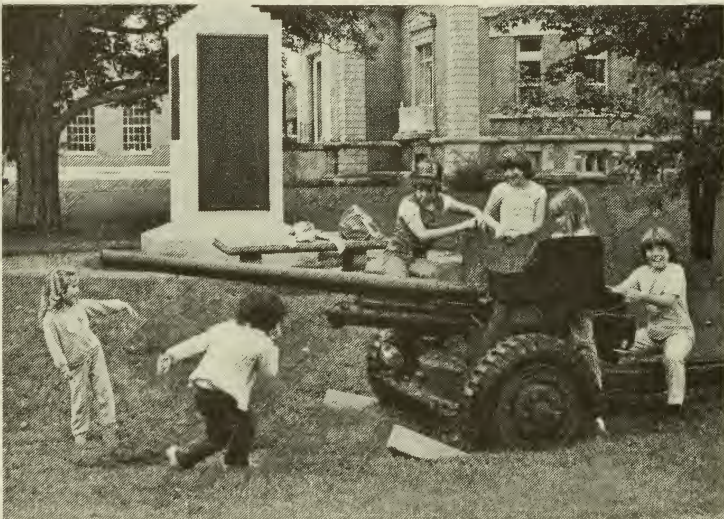
The construction of new sanitary sewer lines on part of Summer St., Cemetery and Depot Streets were completed.

A Solid Waste District was formed, comprising of communities from Lisbon to Groveton. Preliminary engineering was completed giving direction in the better and most economical way of disposing of solid waste.

Lancaster enjoyed a building growth that has not before been witnessed, at least in recent years, particularly in residential property.

I express my appreciation to the Board of Selectmen for their continued leadership, the department heads and employees for their dedicated service; the various committee members and citizens for their cooperation.

DONALD E. CRANE,
Town Manager



Attraction during an activity in Centennial Park.

Town Budget

The proposed budget for the fiscal year 1987 follows: The budget is prepared by the Budget Committee from information furnished by the Board of Selectmen and other Town Officers. The Budget Committee held a public hearing for a general discussion of all recommended appropriations. Expression from the public is a determining factor as to the amount of appropriations, or a particular appropriation. Many long hours were spent by the Committee and Town Officials in preparation of the Budget. It is their feeling that the expression of the public is reflected in the Budget.

Included is the estimate of revenues and actual revenues; appropriations and expenditures of the previous year, 1986.

PURPOSES OF APPROPRIATION (RSA 31:4)		Actual Appropriations 1986 (1986-87) (omit cents)	Actual Expenditures 1986 (1986-87) (omit cents)	Selectmen's Budget 1987 (1987-88) (omit cents)	Budget Committee	
GENERAL GOVERNMENT					Recommended 1987 (1987-88) (omit cents)	Not Recommended (omit cents)
1	Town Officers Salary	\$ 55,410.00	\$ 55,352.00	\$ 59,120.00	\$ 59,120.00	
2	Town Officers Expenses	24,000.00	28,032.00	26,900.00	26,900.00	
3	Election and Registration Expenses	1,400.00	1,313.00	500.00	500.00	
4	Cemeteries	3,500.00	3,500.00	85,800.00	85,800.00	
5	General Government Buildings	26,460.00	21,362.00	25,100.00	25,100.00	
6	Reappraisal of Property	25,500.00	25,500.00	1,000.00	1,000.00	
7	Planning and Zoning	4,331.00	4,526.00	15,331.00	15,331.00	
8	Legal Expenses	4,000.00	-0-	4,000.00	4,000.00	
9	Advertising and Regional Association	15,860.00	15,748.00	11,550.00	11,550.00	
10	Contingency Fund	8,000.00	-0-	8,000.00	8,000.00	
11						
12						
13						
14						
PUBLIC SAFETY						
15	Police Department	148,300.00	149,143.00	170,200.00	170,200.00	
16	Fire Department	30,800.00	25,907.00	38,050.00	38,050.00	
17	Civil Defense					
18	Building Inspection					
19	Court Diversion	-0-	-0-	-0-	1,398.00	
20						
21						
22						
HIGHWAYS, STREETS & BRIDGES						
23	Town Maintenance	254,350.00	260,000.00	269,500.00	269,500.00	
24	General Highway Department Expenses					
25	Street Lighting	34,000.00	32,274.00	34,000.00	34,000.00	
26	Whitefield Regional Airport	500.00	500.00	500.00	500.00	
27						
28						
29						
30						
SANITATION						
31	Solid Waste Disposal	76,950.00	69,459.00	77,300.00	77,300.00	
32	Garbage Removal	4,050.00	4,050.00	4,500.00	4,500.00	
33	Household Hazardous Waste	-0-	-0-	-0-	-0-	\$ 1,536.00
34						
35						
36						
HEALTH						
37	Health Department	14,094.00	14,094.00	11,650.00	11,650.00	
38	Hospitals and Ambulances	20,500.00	24,509.00	29,950.00	29,950.00	
39	Animal Control	900.00	492.00	900.00	900.00	
40	Vital Statistics					
41						
42						
43						

WELFARE					
44	General Assistance	11,000.00	8,169.00	11,000.00	11,000.00
45	Old Age Assistance	4,000.00	1,583.00	-0-	-0-
46	Aid to the Disabled				
47	CAP Outreach	1,600.00	1,600.00	1,680.00	1,680.00
48					

PURPOSES OF APPROPRIATION (RSA 31:4)		Actual Appropriations 1986 (1986-87) (omit cents)	Actual Expenditures 1986 (1986-87) (omit cents)	Selectmen's Budget 1987 (1987-88) (omit cents)	Budget Committee Recommended 1987 (1987-88) (omit cents)		Not Recommended (omit cents)
CULTURE AND RECREATION							
49	Library	\$ 36,564.00	\$ 36,564.00	\$ 44,653.00	\$ 44,653.00		
50	Parks and Recreation	153,824.00	154,402.00	154,620.00	154,620.00		
51	Patriotic Purposes	500.00	500.00	500.00	500.00		
52	Conservation Commission						
53							
54							
55							
56							
DEBT SERVICE							
57	Principal of Long-Term Bonds & Notes	123,725.00	123,725.00	125,225.00	125,225.00		
58	Interest Expense - Long-Term Bonds & Notes	32,235.00	32,228.00	32,465.00	32,465.00		
59	Interest Expense - Tax Anticipation Notes	11,500.00	9,704.00	11,200.00	11,200.00		
60	Fiscal Charges on Debt						
61							
62							
CAPITAL OUTLAY							
63	New Equipment	96,500.00	78,025.00	10,000.00	10,000.00		
64	Solid Waste Disposal Engineering	13,600.00	3,584.00	16,696.00	16,696.00		
65	Police Station Design & Const.	90,000.00	79,681.00	-0-	-0-		
66	Land Purchase	-0-	-0-	-0-	-0-		\$ 8,500.00
OPERATING TRANSFERS OUT							
67	Payments to Capital Reserve Funds						
68	Highway Department	24,000.00	24,000.00	29,000.00	29,000.00		
69	Fire Equipment	8,000.00	8,000.00	8,000.00	8,000.00		
70	Ambulance	3,000.00	3,000.00	3,000.00	3,000.00		
71							
72							
73							
74							
75							
MISCELLANEOUS							
76	Municipal Water Department	88,300.00	86,826.00	347,500.00	347,500.00		
77	Municipal Sewer Department	66,550.00	57,954.00	73,500.00	73,500.00		
78	Municipal Electric Department						
79	FICA, Retirement & Pension Contributions	30,500.00	26,304.00	31,000.00	31,000.00		
80	Insurance	77,010.00	90,925.00	103,420.00	103,420.00		
81	Unemployment Compensation	2,600.00	2,687.00	2,600.00	2,600.00		
82							
83							
84							
85	TOTAL APPROPRIATIONS	\$1,627,913.	\$1,565,222.	\$1,879,910	\$1,881,308.	\$	10,036.

Less: Amount of Estimated Revenues, Exclusive of Taxes (Line 133) _____

Amount of Taxes to be Raised (Exclusive of School and County Taxes) _____

BUDGET OF THE TOWN OF Lancaster, N.H.

BUDGET FOR TOWNS WHICH HAVE ADOPTED THE PROVISIONS
OF THE MUNICIPAL BUDGET LAW

SOURCES OF REVENUE		Estimated Revenues 1986 (1986-87) (omit cents)	Actual Revenues 1986 (1986-87) (omit cents)	Selectmen's Budget 1987 (1987-88) (omit cents)	Estimated Revenues 1987 (1987-88) (omit cents)
TAXES					
86	Resident Taxes	\$ 20,700.00	\$ 20,231.00	\$ -0-	\$ -0-
87	National Bank Stock Taxes	2,000.00	1,895.00	2,000.00	2,000.00
88	Yield Taxes	5,000.00	10,546.00	5,000.00	5,000.00
89	Interest and Penalties on Taxes	51,500.00	59,547.00	51,500.00	51,500.00
90	Inventory Penalties				
91	Land Use Change Tax	14,000.00	14,000.00	-0-	-0-
92					
INTERGOVERNMENTAL REVENUES - STATE					
93	Shared Revenue - Block Grant	80,732.00	80,732.00	80,700.00	80,700.00
94	Highway Block Grant	47,046.00	47,046.00	54,270.00	54,270.00
95	Railroad Tax	90.00	90.00	-0-	-0-
96	State Aid Water Pollution Projects	73,631.00	73,631.00	71,505.00	71,505.00
97	Reimb. a/c State-Federal Forest Land	2,489.00	1,961.00	2,000.00	2,000.00
98	Other Reimbursements	-0-	-0-	9,300.00	9,300.00
99	Business Profits Tax	151,768.00	151,768.00	151,750.00	151,750.00
100					
101					
102					
INTERGOVERNMENTAL REVENUES - FEDERAL					
103					
104					
105					
106					
107					
LICENSES AND PERMITS					
108	Motor Vehicle Permit Fees	163,000.00	178,729.00	178,000.00	178,000.00
109	Dog Licenses	1,600.00	1,742.00	1,600.00	1,600.00
110	Business Licenses, Permits and Filing Fees	9,300.00	9,943.00	12,000.00	12,000.00
111					
112					
113					
CHARGES FOR SERVICES					
114	Income from Departments	6,000.00	6,000.00	6,000.00	6,000.00
115	Rent of Town Property	5,700.00	7,013.00	6,600.00	6,600.00
116	Ambulance Fees	22,935.00	22,782.00	33,450.00	33,450.00
117	Municipal Library Income	-0-	-0-	7,200.00	7,200.00
118					
119					
MISCELLANEOUS REVENUES					
120	Interest on Deposits	80,224.00	78,013.00	43,440.00	43,440.00
121	Sale of Town Property	-0-	-0-	2,000.00	2,000.00
122	Parking Meter Income	5,000.00	4,883.00	5,000.00	5,000.00
123	Col. Town Trust Fund	150,324.00	150,324.00	136,120.00	136,120.00
124	Ambulance Replacement Fund	45,000.00	45,000.00	-0-	-0-
125	Municipal Cemetery Income	-0-	-0-	83,300.00	83,300.00
OTHER FINANCING SOURCES					
126	Proceeds of Bonds and Long-Term Notes	90,000.00	90,000.00	250,000.00	250,000.00
127	Income from Water and Sewer Departments	154,850.00	163,131.00	168,000.00	168,000.00
128	Withdrawal from Capital Reserve	9,000.00	9,000.00	7,000.00	7,000.00
129	Revenue Sharing Fund	58,300.00	38,550.00	-0-	-0-
130	Fund Balance	95,675.00	95,675.00	-0-	-0-
131	EPA Grant (Sewer Project)	18,127.00	18,127.00	18,127.00	18,127.00
132					
133	TOTAL REVENUES AND CREDITS	\$1,363,991.	\$1,380,359.	\$1,385,862.	\$1,385,862.

Board of Assessors

The Board of Selectmen-Assessors are charged with the responsibility of fairly and equitably assessing all taxable property at its full and true value. The assessors have accomplished that very difficult responsibility. The gross assessed valuation of taxable property reached \$30,782,670, deducted from the gross figure was \$1,318,055 for current use assessments. \$15,000 Blind Exemption, \$315,900 of valuation for Elderly Exemptions and Solar Exemptions totaled \$11,350, making a net taxable valuation of \$29,122,365. The equalization valuation remained at 48% full value.

The current use assessment law offers qualified land owners an assessment on their land at its current use, i.e., farm land, forest land, etc., not taking into consideration its location or its true value or market value. The range of land valuations are determined by the Current Use Advisory Board. Land to qualify must first meet the criteria established under the Current Use Law. The law also contains a provision for a land use change tax of 10 percent, which becomes due if the land changes to a non-qualifying use. Initial applications for current use assessment must be filed before April 16th.

The Elderly Exemptions are for those property owners, (husband and wife), who have reached the age of 68 years of age and do not have a combined income of more than \$6,000, or for a single person, more than \$5,000, and do not have assets in excess of \$35,000. The Elderly Exemption is \$5,000 in valuation and is not reduced by the equalization figure. Initial applications are required and must be filed before April 16th of the year in which an exemption is claimed. Application forms are available at the Municipal Offices.

The Board approved a total of 254 applications for Veterans Exemption, four at \$700 for service connected disability, 250 at \$50 per application or less. The exemption is on real estate taxes and the total taxes exempted was \$15,500.

The Board assessed the \$10 Resident Tax to all known persons between the ages of 18 and 65.

The Board of Assessors held meetings to receive inventories of taxable property forms and answer all inquiries relating to them. Other meetings were arranged for particular situations involving assessments. The Board attended meetings conducted by the New Hampshire Department of Revenue Administration. The Board responded to several assessment appeals and held hearings to hear testimony and receive evidence.

Taxes, Revenues and Tax Rate

Property Taxes: The 1986 property taxes committed to the Tax Collector was \$2,061,440. Add to that amount, \$15,500 for approved Veterans Exemptions and \$24,943 for overlay, abatements and refunds, making the gross property taxes \$2,170,276. The Schools' share of the tax was \$1,581,411, the Town received \$416,280 and Coos County \$172,585.

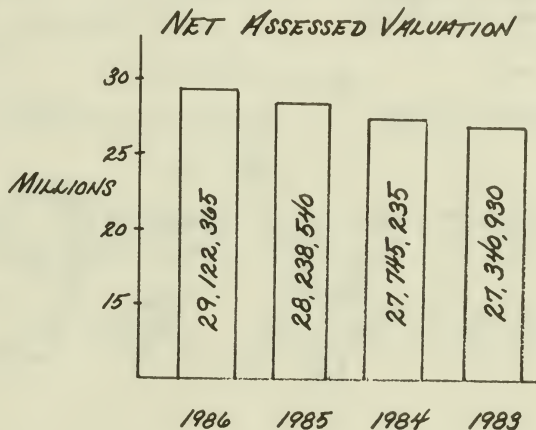
Other Taxes: The \$10.00 Resident Tax committed totaled \$20,500, while Timber Taxes reached a total of \$10,546. National Bank Stock Tax received was \$1,895.00. Land use change taxes paid this year total \$14,000.00.

Revenues: Motor Vehicle permit fees reached a high of \$178,729.00 and is the single highest local revenue producer. The Town Clerk is the Municipal Agent for the Motor Vehicle Department and issues re-registration certificates for a fee of \$1.50. The Town Clerk's office fees returned \$9,491.50, license and fees amounted to \$2,193.27. Interest earned on deposits and short term loans totaled \$28,788.52.

Revenues received from the State included Highway Block Grant, \$47,045, (from the gas tax), Shared Revenues, (formerly Savings Bank Taxes, Rooms and Meals Taxes and Interest & Dividend Tax), \$80,732 and Business Profits Tax of \$151,768, of which the town benefited by \$39,460.00, the remainder being for the schools and county.

Federal Revenue Sharing: The Town received \$58,300 in Federal Revenue and earned interest on the fund of \$3,026.41. 1986 was the last year for Federal Revenue Sharing.

Tax Rate: The approved 1986 tax rate was \$70.70 per \$1,000 of valuation, an increase of \$2.90 over 1985. The rate for each entity of government was: Municipal \$14.31, School \$50.71, and County \$5.68. The tax rate is determined by applying the total net amount of money necessary to be raised by property taxes to the net taxable valuation of the Town. The 1986 property taxes totaled \$2,058,951 and the net taxable valuation was \$29,122,365.



Budget Summary

A summary of the Town's, School's (Lancaster's share of the White Mountain Regional School District) and Coos County, (Lancaster's share) budgets are listed below. The previous year is included for comparison.

<u>SCHOOL</u>	<u>1986</u>	<u>1985</u>
Total Budget Appropriations	\$5,299,130.00	\$5,242,703.00
Less: Fund Balance & Revenues	462,632.00	865,999.00
Raised by District Property Taxes	<u>\$4,836,498.00</u>	<u>\$4,376,704.00</u>
Lancaster's Share Total Budget	2,344,653.00	2,348,165.00
Less: Fund Balance Share	31,778.00	190,579.00
Revenue Share	172,918.00	197,295.00
Foundation Aid	558,546.00	482,255.00
	<u>\$1,581,411.00</u>	<u>\$1,478,036.00</u>
Less Applicable Business Profits Tax	<u>\$ 104,871.00</u>	<u>\$ 100,142.00</u>
Net Raised by Property Taxes	\$1,476,540.00	\$1,377,894.00

<u>TOWN</u>		
Total Appropriation	\$1,628,503.00	\$1,420,233.00
Less: Revenues	1,212,223.00	1,052,095.00
	<u>\$ 416,280.00</u>	<u>\$ 368,128.00</u>
Less: Applicable Business Profits Tax	39,460.00	37,680.00
Plus: Veterans Exemptions	15,500.00	17,000.00
Overlay	<u>24,943.00</u>	<u>12,042.00</u>
Net Raised by Property Taxes	\$ 417,263.00	\$ 359,490.00

<u>COOS COUNTY</u>		
Lancaster's Share Coos County Budget	\$ 172,585.00	\$ 184,290.00
Less: Applicable Business Profits Tax	<u>7,437.00</u>	<u>7,101.00</u>
Net Raised by Property Taxes	\$ 165,148.00	\$ 177,189.00
TOTAL TO BE RAISED BY PROPERTY TAXES	\$2,058,951.00	\$1,914,573.00

TAX RATE: 1986 - School \$50.71 - Town \$14.31 - County \$5.68 - Total \$70.70
 1985 - School \$48.79 - Town \$12.74 - County \$6.27 - Total \$67.80

	School	Town	County
Percent of Property Taxes	72.0%	20.0%	8.0%

SUMMARY OF VALUATIONS

	1986	1985
Lands	\$ 6,086,025.00	\$ 6,034,475.00
Buildings	22,805,195.00	21,917,595.00
Manufactured Housing	489,100.00	429,350.00
Electric Plants	880,000.00	984,325.00
Pipe Lines	351,650.00	351,650.00
Machinery	170,700.00	170,700.00
TOTAL VALUATION	\$30,782,670.00	\$29,888,095.00
Less: Current Land Use Assessment	\$ 1,318,055.00	\$ 1,306,005.00
Less: Elderly Exemptions	315,900.00	318,150.00
Less: Blind Exemptions	15,000.00	14,400.00
Less: Solar Exemptions	11,350.00	11,000.00
NET TAXABLE VALUATION	\$29,122,365.00	\$28,328,540.00

1986	→	7.07
1985	→	6.78
1984	→	7.26
1983	→	7.92
1982	→	7.37

TAX RATES

Town Clerk's Report

Registration of Motor Vehicles

Motor Vehicle Permits Issued in 1986 (3,624)	\$ 178,719.00
Municipal Agent Fees Collected	<u>2,842.50</u>
Total Collected	\$ 181,561.50

Licenses and Fines

Dog Licenses Issued	\$ 1,741.82
Dog Fines Collected	<u>130.00</u>
Total Collected	\$ 1,871.82

Town Record Fees

Automobile Title Applications	\$ 850.00
Certified Copies of Vital Reocords	2,921.00
Filing, Terminating, & Searching UCCs	2,221.00
Marriage Intentions	940.00
Recording Fees & Tax Liens	244.00
Licenses & Fees	<u>183.94</u>
Total Collected	\$ 7,359.94

TOTAL REMITTED TO TREASURER	\$ <u>190,793.26</u>
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VITAL RECORDS

	<u>1984</u>	<u>1985</u>	<u>1986</u>
Marriages	35	30	45
Births	185	189	148
Deaths	77	136	132

On January 2, 1987, I began issuing the new Graphic Plates for the renewal of Passenger Plates. Sixty-five of the Town Clerks in the State who are Municipal Agents are taking part in the new plate issue. All Passenger and Initial Passenger Plates are being replaced by the new Graphic Plates. All Numerical (1-999,999) and Initial Passenger Plates have been reserved for thirty days after the date of expiration for those people who have them on their vehicles. A fee of \$1.50 extra is added to the Town registration fee for all renewals processed by Municipal Agents.

Planning and Zoning

The Lancaster Planning Board meets monthly the second Tuesday, beginning at 7:30 P.M. in the District Court room, second floor Town Hall and the hearings are open to the public.

The Planning Board approved 17 land subdivisions, some of significant numbers of lots, while most were single lot subdivisions. An 8 lot subdivision, a 5 lot subdivision and a 35 lot subdivision received approval after careful and thorough examination by the Board. A 9 lot subdivision was withdrawn at its final hearing.

Land owners planning to sub-divide are reminded that approval of the subdivision is required prior to sale.

The Planning Board offered two amendments to the Zoning Ordinance, both were adopted. One confirmed.

ZONING

Lancaster experienced its biggest year in new building in recent years. The building inspector issued 20 residential building permits and 19 structures were either built or under construction. A record number of total building permits were issued. In addition, building permits issued for commercial building additions were significant and indicates the economy of the area is healthy. A summary of permits and the estimated values are listed:

Permits Issued		Estimated Costs
20	Single Family Residential Living Units	\$ 981,750.00
14	Additions, Alterations - Residential	81,000.00
6	Garages - Residential	17,500.00
2	Recreational - Camps	31,000.00
4	Other	15,000.00
9	Commercial	251,000.00
7	T.V. Satellite Antennas	--
TOTAL VALUE		\$ 1,377,250.00

Permits from the N.H. Energy Office are required for new buildings and substantial rehabilitated buildings.

The Zoning Board of Adjustment held 5 hearings and heard 10 appeals. Requests for variances to building closer to the lot line than required under the Zoning Ordinance were approved for 6 applicants. Two lots of a size less than required were approved. One special exception was granted. A request to locate a mobile home on a single lot was denied.

North Country Council

Calendar year 1986 was a busy and productive year for the North Country Council as it continued to provide a wide range of assistance to towns and cities in the North Country.

The Council is a regional non-profit, public agency chartered under NH RSA 36:45 and is responsible for providing its member communities assistance in local community planning, economic development, solid waste, transportation, and various other community services. Besides the direct assistance the Council provides each member community, it is an advocate for all North Country towns in legislative and funding issues at the state and federal governments.

Growth and development is no longer unique to southern New Hampshire; North Country towns are experiencing similar growth pressures. The Council recognizes the impacts associated with this development to schools, roads, waste disposal, water, etc. The Council is dedicated to assisting town officials with these complicated issues. Because most of the Council member towns do not have a staff of their own to do the research, answer the questions and respond to incoming requests, the Council has revised the way we help member towns. Now, each town has a staff person assigned to assist the local officials of that town with their daily needs. In this way, the Council serves its membership more efficiently.

In Lancaster, the Council provided assistance with a landfill siting process. We provided planning assistance to the Upper Grafton/Lancaster Solid Waste District and submitted the 10-year plan to the State. The Council helped the Town with several economic activities, including development of a Community Profile to be used for industrial development promotion, in cooperation with the Lancaster Industrial Development Corporation. We also coordinated the development of a regional industrial promotion program aimed at creating manufacturing jobs in Lancaster and the region. We also coordinated the Yankee Summer Intern Program and development of a Historic Preservation Guidebook for the Town.

Economic Development is an important part of the Council's overall agency mission. This year the Council developed two marketing products: a regional brochure promoting the region and community profiles which the ten growth communities in the region are using to market their industrial development potential. The Council also produced a series of magazine advertisements, along with a display at the Eastern States Exposition, promoting the North Country as the sensible place to do business. The Council is now developing a workshop series on industrial development marketing for local officials in the region who are actively seeking economic development.

This past summer the Council co-sponsored the very successful North Country legislative tour. Over 285 legislators and their guests toured the North Country getting a glimpse of the life, economy and culture that makes our region unique. A follow-up legislative reception was held in December to develop a legislative agenda for 1987. The tour and reception

should have future beneficial legislative impact to the North Country.

The Council again provided information and guidance to several towns on federal and state grant and loan programs. This past year saw the Council administer over \$3.0 million in Community Development Block Grant funds. The funds cover such activities as housing rehabilitation, downtown revitalization, business revolving loan funds, and housing rehabilitation feasibility studies.

Community planning assistance has emphasized master planning and improvement in local land use controls. New state mandates and commercial and residential growth in several towns have created busy work loads for planning boards. The Council's assistance takes many forms: regional workshops, newsletters, regulation review and update, and assistance on a regular or one-time basis for subdivision and site plan applications.

The Council again co-sponsored the Municipal Law Lecture series with the NH Municipal Association. The Law Lecture this year covered such topics as local planning board procedures, administration and enforcement of ordinances and review of recent court cases and state law changes regarding local land use planning.

Overall, the Council's major objective is to work with North Country towns in solving local and regional problems. We rely on and appreciate the involvement of town officials and residents and look forward to assisting your town this coming year.

Elections and Registrations

TOWN MEETING 1986: Moderator Robert D. Calamari opened the 1986 March 11th Town Meeting at 10:00 A.M. and voting began by official ballot to elect all officers. Three questions on the warrant were voted by ballot beginning at 10:00 A.M. and until the end of the meeting. Remaining warrant articles were voted in the evening when the meeting reconvened at 7:00 P.M.

The total official ballots cast were 358 and the results of the ballot voting was:

Selectman	Dean H. Wesson	3 year term
Trustee of Trust Funds	Robert C. Rich	3 year term
Library Trustee	Michael W. Nadeau	3 year term
Moderator	Robert D. Calamari	2 year term
Emmons Smith Fund	John E. Brooks	3 year term
Cemetery Trustee	Ronald N. Bailey	3 year term
Supervisor of the Checklist	Robert C. Rich	6 year term
Budget Committee	Aurore M. Hood	3 year term
	Dennis G. Merrow	3 year term
	Charlotte D. Quay	3 year term
Col. Town Spending Committee	Jeffrey A. Gilman	3 year term
	James Hampton	3 year term
	Geraldine Tetreault	3 year term
Col. Town Investment Committee	Kenneth C. Baker	Indefinite
	Roger A. Gingue	Indefinite
	Dennis G. Merrow	Indefinite

The business session began at 7:00 P.M. to act on the remaining articles and voting continued on those articles considered during the day. The meeting was well participated and meaningful discussions were held. The results:

Article 2: Favored continuing with the Blind Exemption for qualified applicants by a 271 to 72 ballot vote. The exemption is \$15,000 valuation on the property assessment without consideration of the Town's equalization ratio.

Article 3: A petition article asking support in opposition to the disposal, storage, transportation and production of radioactive waste in Lancaster and the State of New Hampshire was supported by ballot 302 to 42.

Article 4: The favorable vote amended the Zoning Ordinance, increasing the number of living units permitted per acre in multi-unit housing situations in the agricultural districts; requires satellite parabolic antennas to meet the same property line set back as all other structures.

Article 5 and 6: Authorized the Selectmen and Town Treasurer to borrow short term money in anticipation of tax receipt; and authorize the Selectmen to dispose of any real estate acquired by Tax Collector's Deeds.

Article 7: The meeting authorized the withdrawal of Revenue Sharing Funds totaling \$58,300.00 by following an amended article. The funds to be used against appropriations for new equipment, fire department supplies and police department.

Article 8: Received a 2/3rd vote authorizing the Selectmen to apply for any Federal or State aid that may become available, all in accordance to prescribed procedures.

The meeting adopted a new ordinance, amended another, and repealed one. The new ordinance exempted qualified P.O.W.s from the motor vehicle permit fee; the Dog Ordinance, so-called, was amended to include a \$10.00 civil forfeiture fee and increased the fines for violation of the Ordinance. The old, and no longer needed Housing Standard Ordinance, adopted at the 1962 Town Meeting was repealed.

The establishment of a general cemetery maintenance fund was approved, as was the transfer of \$79,666.56 in unallocated perpetual care funds into that trust fund. The earnings to be used towards the cost of the care of cemeteries.

Amended Article 11 approved by ballot vote an appropriation of \$12,000.00 for the purpose of supporting Business and Industrial Development within the town, conditioned on the adoption of N.H.R.S.A. 162-J.

Article 12 was amended to change the appropriation to \$90,000.00 and the meeting authorized the borrowing of the money, its use to construct a police station building.

Article 13 authorized withdrawal of \$9,000.00 from the Ambulance Capital Reserve fund to go with funds raised by the Ambulance Corp to purchase a new ambulance.

Special interest articles received approval to provide funding for the Mt. Prospect Ski Club and an appropriation was given the Community Action Outreach Program.

The meeting approved a timber harvest on the town forest under the direction of the Conservation Commission. The proceeds will be used for forest maintenance.

A ballot vote gave support to the construction of a wider bridge over the Israel River on Main Street, as proposed by the N.H. Department of Transportation Bridge Division. The warrant was petitioned and that article was amended to include the proposal to temporarily relocate buildings of historical significance during construction of the bridge. The buildings would be permanently located following construction.

The meeting approved the Town Budget appropriations as submitted by the Budget Committee and amended to include an additional \$1,000 for the care of cemeteries, the total budget appropriation approved was \$1,635,503.00. The amount to be raised by property taxes after consideration of all revenues is approximately \$478,600.00. Authorization was given the Selectmen to expend the money raised.

The polls closed at 9:45 P.M. after all persons who wished to vote had voted.



Mechanic Street covered bridge

Police Department

Over the years your Police Department personnel have striven to do their best for a better community. A community in which you, the citizenry of Lancaster can be proud. Your Police Department is charged to protect the rights of all persons within its jurisdiction, the keep them safe from criminal attack. You, the citizens of Lancaster have the right to be secure in your homes, be free to live in harmony and self content. This is the goal set by the Police Department at which we work 24 hours a day, 7 days a week, 365 days a year to achieve. This achievement through our dedication and your support, will lend itself to a better Lancaster. We thank you for your moral and financial support. This year we're exceptionally thankful for your vote to construct a new police station.

In the year 1986 we saw a decrease in overall complaints filed. Most of the decrease came from a reduction in theft and unauthorized entries. We did experience an increase, Juvenile (16 to 216), bad checks (54 to 107), prowler (10 to 68), animal (261 to 320), family (62 to 104).

Lancaster's accident rate decreased from last years all time high. We are proud to report that 1986 was for the third year in a row, without an auto fatality.

Motor vehicle complaints brought before the court increased by 94 cases, with speeding leading the list. We did notice a sharp drop in operating under the influence, going from 31 to 13.

Under criminal court complaints filed, we noted an increase of 45 cases, with fraud going from 63 to 90, with increases also in assault, illegal possession and juvenile cases.

We continue to upgrade our professional standards and law enforcement expertise by attending many courses of instruction given by in-service training or at the Police Academy in Concord.

Complaints Filed - 1,726

Animal (dog, cat, etc.)	320
Family	104
Juvenile	216
Theft & Unauthorized Entries	218
Theft & Unauthorized Entries (Cleared or Unfounded)	183
Arson	4
Breach of Peace (Assaults, Disorderly Conduct, etc.)	215
Bad Checks	107

Missing Persons (Runaways)	6
Possession of Alcohol	29
Trespass	10
Prowler	68
Harrassment	5
Untimely Death	15
Destruction of Property	61
Attempted Suicide	3
Stolen Vehicles	6
Hit and Run	13
Miscellaneous	443
Drugs	12
Sexual Assault	4

Motor Vehicle Court Cases - 357

Operating under influence of liquor or drugs.	13
Speeding (Radar, clocked, unreasonable)	144
Non-Inspection	28
Yellow Line and Improper Passing	20
Failure to stop or yield.	12
Unregistered Motor Vehicles	26
Operating without a license.	25
Operating after suspension or revocation.	13
Failure to use protective equipment.	6
Allowing improper person to operate.	1
U-Turn	4
No Fuel User Permit	1
Misuse of plates.	7

Following too close.	7
Improper movement.	2
Operating OHRV on a public way.	4
Others	44

Criminal Court Cases - 206

Theft (Unauthorized taking, service, stolen property, etc.)	3
Unauthorized Entries (Burglary, trespass, etc.)	8
Fraud (Forgery, bad check on creditors, etc.)	90
Obstructing Government Operation (Resisting arrest, etc.)	3
Breach of Peace (Disorderly conduct, intoxication)	4
Assault (Simple, aggravated, criminal threatening)	16
Destruction of Property (Criminal mischief)	4
Possession of Controlled Drug	2
Sale of Controlled Drug	1
Juvenile Cases (Burglary, assault, theft, criminal)	22
Illegal Possession of Alcoholic Beverage	25
Consuming Alcoholic Beverage on Main Street	2
Dog Violation	2
False report to law enforcement.	2
Prohibited Sales	5
Transporting Alcoholic Beverage	15
Littering	2

Accidents - 135

Property Damage under \$500.00	69
Property Damage over \$500.00	56
Property Damage listed as Total	9
Accidents Involving Pedestrians	3

Number of One Car Accidents	53
Number of Accidents Involving Animals	5
Hit and Run Accidents	13
Accidents with Personal Injury	20
Number of Two Car Accidents	69
Bicycle Accidents	5
Other Activities - 2,170	
Motor Vehicles Checked	247
Motor Vehicle Warnings	241
DE Tags Issued	121
Emergency Blood Runs	9
Assistance to Sick and Injured	76
Assistance to motorist in trouble.	249
Doors & Windows Found open	186
Parking Tickets Issued	400
Assistance to other departments.	152
Breath Tests Given	19
Blood Tests	5
Relays	117
Fire	28
Assistance to other agencies (ambulance, highway, etc.)	140
Routine check of persons.	74
Illegally Parked Vehicles	106
Improper Parking Warnings	65

Fire Department

The Lancaster Fire Department saw a decline in the total alarms this year. Chimney fires and other related problems saw a big decline due to cheaper oil and safer use of wood stoves.

False alarms saw a big increase this year. In the first half of 1986 false alarms exceeded the total of 1985. Finding this rate unacceptable, a false alarm policy was put into place. Since that time, false alarms have decreased to an acceptable level.

Training continues to be an important part of the Department. Several members spent a great deal of time traveling throughout the State to attend training sessions.

The training at our own department continues to improve the firefighting skills.

New equipment includes a new generator and portable pump. This equipment has proven to be very valuable on the fireground. The Lancaster Fire Department wishes to thank the people of Lancaster for their continued support. This allows us to update equipment and maintain a high level of training.



All clear on a fire call.

Chimney Fires	19
Oil Burners	4
Structure Fires	6
Partition Fires	3
Smoke Scares	0
Electrical Fires	10
Vehicle Fires	3
False Alarms	18
False Alarms (Malicious)	1
Grass Fires	1
Forest Fires	1
Brush Fires	2
Automobile Accidents	1
Mutual Aid	0
Woodstove	2
Illegal Kindling	0
Gas Spills/ Hazardous Material	4
Others	8

REPORT OF THE TOWN FOREST FIRE WARDEN AND STATE FOREST RANGER

Between July 1985 and June 1986 we experienced fewer fires than normal. The two leading causes of forest fires were again, children and fires kindled without written permission of a Forest Fire Warden. Both causes are preventable, but only with your help.

Please help our town and state forest fire officials with forest fire prevention. Contact your Forest Fire Warden for more information.

Enforcement of a state timber harvest regulation is the responsibility of State Forestry officials. Our state has excellent timber harvest regulations; however, your assistance is needed.

If you know of a logging operation and suspect a state timber harvest law may be violated, call your Forest Fire Warden.

If you own forest land, you became responsible for the timber tax payment starting April 1, 1986. This is a change in the Timber Tax Law that will impact all forest landowners. Contact your Board of Selectmen for timber tax forms.

1986 STATISTICS

	<u>State</u>	<u>District 8</u>	<u>Town of Lancaster</u>
Number of Fires	840	19	1
Number of Acres	751	13	0.1
Cost of Suppression - \$ 275,956.00			

Richard C. Belmore, Forest Ranger

David Fuller, Forest Fire Warden

Public Works

Lancaster is moving forward toward an acceptable solution to solid waste disposal. In cooperation with municipalities in the North Country Council area, Lisbon north to Groveton, the district is known as the Upper Grafton Lancaster Area Solid Waste District. Preliminary engineering has been completed to determine the better and most economical method to dispose of solid waste. The next step is site analysis of up to three sites, including hydrogeologic, environmental, social and transportation analysis. Required monitoring with sampling and analysis will begin in 1987.

Highway Department

Burnside Street received a new paved surface continuing the program of Street improvements. Several other street surfaces were treated with liquid asphalt.

A section of Stebbins Hill Road was widened for improved maintenance and safer travel. That beginning will continue in 1987 with new drainage and gravel surfaces.

A new sidewalk was installed on Williams Street and others were repaired.

The Streets and roads were maintained in a safe manner during the winter with snow removal, sanding and salting.

General maintenance of streets and roads in the summer was a responsibility carried out. The Town added gravel to the surfaces of some areas, there were drainage improvements, grading, chloride and asphalt patching, among other duties.

A new truck replaced an older unit. The vehicle also has snowplow equipment installed.

Water Department

A new 6" cast iron water main was installed on Bridge Street beginning at White Mt. Mack and continuing to Reilly Tire. The new main replaced an old 1 1/4 inch galvanized line and the service lines on Bridge Street were replaced new.

A section of an old, small line, on Cemetery Street, was replaced with 6 inch cast iron main. That line will continue along Depot Street to Railroad Street, where it will be connected to the Railroad Street main providing a circulatory loop.

The preliminary engineering for the water storage reservoir was completed and the final choice is a hypolone cover and liner and related structure improvements. It's expected to be constructed in 1987.

New services were added and several old service lines were replaced.

The water system functioned well with little or no interruption of delivering a safe product to the customers. Chlorine treatment was stepped up as required by N.H. Water Supply & Pollution Control Commission.

Sewer Department

The waste water treatment facility for the Grange area was nearly completed and is in use. Minor problems have been worked out and leaves little, except general cleanup, to complete in the spring of 1987.

The new sanitary line on part of Summer, Cemetery and Depot Streets was completed. The old line became a storm line and surface and subsurface water is now separate from the sanitary and is not treated, thus reducing treatment costs as well as pumping costs.

A sewer line was extended to the Hartco Development off Portland Street to serve that development. It was a joint venture with Hartco furnishing the materials.

The operation and maintenance of the system continued satisfactorily and caused the user no problems.

Cemeteries

All the municipal cemeteries were maintained in workmanship fashion with favorable results.

A layout of a new section in the Summer Street Cemetery was completed.

A section of new fence was installed, enhancing the beauty of the cemetery.

A plan to expand the Summer Street Cemetery got a new beginning. Improvements in the vault and workshop are planned. The cemetery on Pleasant Valley Road will see improvements in 1987.

Schedule of Town Property

The values shown are not intended to be true values; some are cost basis and others are estimates used for prior specific purposes.

<u>Description</u>	<u>Value</u>
Town Hall, Lands & Buildings	\$ 250,000.00
Police Station (Under Construction)	90,000.00
Weeks Memorial Library	200,000.00
Fire Dept., Lands & Buildings	100,000.00
Highway Dept., Lands & Buildings	150,000.00
Parks, Commons & Playgrounds	200,000.00
Water Supply Facilities	2,000,000.00
Sewer Plant Facilities	4,000,000.00
Parking Lots	20,000.00
Town Forest	13,000.00
recreation Lands & Buildings	200,000.00

Lands acquired through Tax Collector's Deeds:

Riverside Drive Lot (assessed value)	400.00
Causeway St. Lot (assessed value)	200.00
Page Hill Lot (assessed value)	100.00

Inventory of Municipal Equipment

Highway

1982	John Deere Motor Grader 670A
1985	John Deere Loader 544C
1971	Elgin Sweeper
1981	GMC Dump Truck w/Plow
1979	John Deere Loader/Backhoe
1982	GMC Dump Truck w/Plow
1983	GMC Dump Truck w/Plow
1976	Ford L-800 w/Spreader Body
1978	Bombardier Sidewalk Plow/Sander
1973	100C Int'l. Loader - Dump
1966	General Utility Trailer
1985	Eager Beaver Roller SRH300
1978	Steam Thawing Unit - Lookout Boiler
1978	Sicard Model 2100 Snowblower
1965	Joy Compressor
1983	Simplicity Mower
1985	Swenson Material Body Spreader
1984	Frink Material Body Spreader

Fire Dept.

1978	Mack-Boyer Pumper (Universal)
1976	Chevrolet - Tanker (Water)
1967	Ford - Thibault, Pumper
1964	Dodge Panel
1952	Jeep
1949	Seagrave Ladder Truck (Used)
1934	Maxim Pumper

Police Dept.

1985	Chevrolet Impala - Cruiser
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Ambulance Corp

1986	Ford Van - Type III Wheeled Coach
1984	Ford Van - Type II Wheeled Coach

Water & Sewer

1984	Ford Pickup - Sewer
1985	Ford Pickup w/Plow - Water
1972	Sewer Rodder

Public Welfare

This was the first year of operating under the new welfare laws. Local governments administer and finance all direct relief programs. County governments formerly administered direct relief after a years assistance by a local community. The Town no longer assists in financing the State administered Old Age Assistance program. The child welfare program is now fully financed by the State.

TOWN WELFARE: The town furnished public assistance to 34 qualifying applicants, including 44 adults and 43 children. All were for short term duration, usually until the recipient qualified for a State program or became employed.

STATE WELFARE ASSISTANCE: The N.H. Department of Human Services administers the Old Age Assistance Program, as well as the Aid to Families with Dependent Children, to qualifying recipients. The O.A.A. program is financed by the State, County and Federal governments. Local governments no longer contribute to the program.

The Medicaid Program is designed to assist persons who do not have the means to provide for their medical care, or who do so only at a great financial sacrifice. Through this program, pharmaceutical, laboratory, skilled nursing home care and physicians' services are supplied in whole, or in part. In determining eligibility for these services, certain limitations have been established on the amount of annual income and assets that person may have. Information concerning these programs may be received by contacting the N.H. Division of Human Services, Littleton, N.H. Telephone 1-800-552-8959.

FOOD STAMPS: Lancaster residents may contact the N.H. Division of Human Services, Littleton, N.H., Telephone 1-800-552-8959 for an appointment to apply for food stamps. Anyone may telephone for eligibility requirements.

The Federal Fuel Assistance program for eligible low income families and for qualifying elderly persons, was available through the Community Action Program.

Weeks Memorial Library

The Weeks Memorial Library had another busy year. Our circulation has continued to be very high for a town the size of Lancaster. We circulated an average of ten books to each of our registered borrowers at a cost to the town of 96 cents per book. This is quite a bargain when one considers that the average hard cover book now sells for better than \$30. The library receives 85 magazines regularly, 60 of them as paid subscriptions. Many people are discovering that reading magazines in the library is quite a budget saver. The average magazine subscription today is \$25.

847 books were added to the adult section of the library and 408 to the children's library. We also received many donations of books during the past year, for which we are always grateful.

There was only one change in staff over the last year. Mrs. Claudia Remick replaced Mrs. Elaine Root as one of our part time assistants. She joins a very capable staff consisting of Mrs. Virginia Richardson, assistant librarian, Mrs. Deborah Turaj, part-time assistant, and Mrs. Holly Verrier, childrens librarian.

The library continues to hold story hour programs for pre-schoolers on Thursday mornings during the school year, as well as monthly programs for special groups. School age childrens' programs are held after school at various times during the year. Since we can borrow free VCR tapes from the State Library, which has already secured public performance rights, we are able to show films as part of all our childrens programing.

The biggest change in the library during 1986 was in the childrens library. The peeling walls have been repainted, new lighting has been installed, and a wall-to-wall carpet was laid. The room is now bright and warm. Everyone is enjoying the soft carpet which was paid for entirely by contributions and money earned by an energetic, (and tired), group of trustees and staff.

The trustees and staff of the library express thanks for the town's continued support of the library. We welcome your suggestions for book purchases and programs. We need your input in order to continue to provide the community with quality service.

WEEKS MEMORIAL LIBRARY

Financial Statement

1986

Balance-- January 1, 1986 \$ 79.47

Receipts:

Town of Lancaster	\$ 36,564.00	
Col. Town Spending Committee	2,500.00	
Interest	307.27	
Trustees of Trust Funds	3,917.84	
Fines/Copier Income	1,235.00	
Donations--Carpet	4,775.23	
Book Replacement	61.95	
Reimbursement	<u>148.84</u>	
Total Receipts		\$ 49,510.13

Expenditures:

Salary-Librarians	\$ 13,850.00	
Part-time Assistants	1,839.18	
Employees' Benefits	3,660.72	
Story-Hour Program	428.75	
Bookkeeper	600.00	
Janitor	1,600.00	
Adult & Juvenile Books	12,236.85	
Periodicals & Newspapers	1,239.97	
Heat & Utilities	2,864.80	
Office Supplies	1,007.63	
Equipment Maintenance	281.23	
Maintenance	1,095.50	
Energy Conservation	1,003.40	
New Equipment	475.29	
Insurance	1,746.00	
Advertising	144.70	
Education	254.00	
Carpet & equipment	4,634.65	
Registrations & Memberships	34.00	
Fund transfer to Saving Acct.	530.57	
Miscellaneous	<u>55.00</u>	
Total Expenditures		\$ <u>49,582.24</u>

Balance--December 31, 1986 \$ 7.36

Ambulance Service

The Lancaster Ambulance Service has again had a record year with 588 runs in 1986 completing their 17th year of service to Lancaster and the surrounding communities.

The high point of the past year was the arrival of the new Wheeled Coach Modular ambulance. This is the fifth ambulance that has been in service and the first new one that has been purchased completely from a fund drive. The drive was conducted over the past two years and was well supported by the public.

This new ambulance, along with our small two year old vehicle, will provide us with good equipment for a number of years.

The 1975 Modular Ambulance, that was replaced by the new one, has been purchased by the Gilman Fast Squad. They have renovated it and use it in conjunction with our ambulance when we are called to Lunenburg or Gilman.

The other major equipment purchase has been a new automatic defibrillator which has just been developed. This cost \$5,000.00 and was paid for by donations to the Ambulance Corp, many of them made in memory of C. Douglas Chamberlin, a long time member of the Corp whose sudden death last summer saddened us all.

The Groveton Corp has also purchased an identical model and we will all be trained in the use of this equipment shortly.

Many hours of training have been accumulated by the members at various meetings in Lancaster, Littleton, Groveton and Hanover. Each National Registered EMT-A has to have 48 hours of continuing education and a 24 hour refresher course every two years. Also, a CPR recertification is required each year.

Lancaster, Groveton, Whitefield and Littleton Ambulance Services have back-up agreements with each other, which provides added protection to the area.

Lancaster, as well as the other Ambulance Services in the area, are always in need of new members, especially ones who would be free during the daytime. All would be welcome at our regular meetings held in our station on the first Wednesday of each month. If enough apply, a training course will be held to give the people the necessary skills.

We thank all who have supported us in the past and we hope we can continue giving quality service to the area the many years to come.

Debt Service

BOND ISSUE: The principal payment on the Sewer Bond was \$110,000 and interest of \$30,825.00. The state of New Hampshire paid \$73,631.00 as its share of the principal and interest.

LONG TERM NOTES: Payments of \$13,725 principal and \$1,303.00 in interest were made on long term notes. One note was retired and a new note for the Police Station was issued.

TEMPORARY LOANS & INTEREST: Interest of \$9,704.00 was paid to borrow \$400,000.00 of short term money. Re-investment of part of the funds returned \$7,872.00. The loan was paid July 1st.

The schedule of Indebtedness follows:

Sewer Bonds

	4.50 percent
Amount of Original Issue	\$ 2,170,000.00
Date of Original Issue	March 1, 1972
Principal Payable Dates	March 1
Interest Payable Dates	March 1 and September 1
Payable at	Boston Safe Deposit and Trust Company

Maturities - Fiscal Year Ending	Principal	Interest
December 31, 1987	\$ 110,000.00	\$ 25,875.00
December 31, 1988	110,000.00	20,925.00
December 31, 1989	110,000.00	15,975.00
December 31, 1990	100,000.00	11,250.00
December 31, 1991	100,000.00	6,750.00
December 31, 1992	100,000.00	2,250.00
	\$ 630,000.00	\$ 83,025.00

POLICE STATION NOTE

6.0 percent

Amount of Original Note	\$ 90,000.00
Principal Payable Date	December 1
Interest Payable Date	June and December
Payable at	Siwooganock Guarantee Savings Bank

Maturities	Principal	Interest
December 1987	\$ 9,000.00	\$ 5,400.00
December 1988	9,000.00	4,860.00
December 1989	9,000.00	4,320.00
December 1990	9,000.00	3,780.00
December 1991	9,000.00	3,240.00
December 1992	9,000.00	2,700.00
December 1993	9,000.00	2,160.00
December 1994	9,000.00	1,620.00
December 1995	9,000.00	1,080.00
December 1996	9,000.00	540.00
	\$ 90,000.00	\$ 29,700.00

GARLAND ROAD BRIDGE NOTE

6.75 percent

Amount of Original Issue	\$ 24,000.00
Date of Original Issue	December 1982
Principal Payable Date	August 1
Interest Payable Date	February and August
Payable at	Siwooganock Guarantee Savings Bank

Maturities	Principal	Interest
August 1987	\$ 6,225.00	\$ 420.19

Colonel Town Recreation Department

1986 Annual Report by Superintendent of Recreation

The Colonel Town Recreation Department governed by the nine member Spending Committee, operates with funds derived from the Colonel Francis L. Town Trust. Facilities operated include the Community House, Community Camp, Skating Rink and Community Field. Our goals are to provide well supervised activities and services that meet the recreational needs of the community. The Committee and I welcome ideas that will improve our services.

The Community House meeting rooms are for groups and organizations to host meetings, leadership workshops, seminars, business and social gatherings. Our gymnasium is available for large group gatherings, as well as special events and active games. The schools' grades K thru 4 gym classes are presently using the facilities during the day, Mondays and Tuesdays.

The game room, with its opportunities to bowl, play pool, bumper pool, bumper shuffleboard, air hockey, marble football, table soccer, maze and many other games that can be used during free play sessions, is also a meeting room when required. The entire basement floor, including the gameroom, locker rooms, office and hallway, required a new paint job this summer when heavy rains that postponed a couple of New England Bambino Tournament games seemed to end up on our floor.

The Community House 3rd floor library room accomodates large group meetings, craft classes and small groups needing some privacy. Local groups and organizations are encouraged to use the Colonel Town meeting facilities. Reservations are on a first come, first served basis, (call 788-3321).

Our outdoor facilities at the Community Field feature five all-weather tennis courts, a full size and two junior baseball/softball fields which can be converted to a regulation and junior soccer field as needed, two play areas equipped with equipment and our 209,000 gallon swimming pool. The increasing popularity of tennis among all ages is a direct result of the Lancaster Tennis Association's instructional and tournament programs under the leadership of Mrs. Flora Ingram and her dedicated staff of mothers. The six week instructional program is followed by tournaments throughout the summer and weekly play for adults one morning a week. The Town is especially proud of its outstanding swim program under the leadership of Miss Ellie Emery. We are ready to meet the swim needs of more adults in the evenings. We encourage adults to contact their recreation department and tell us how we can better meet their swim needs.

The Community Camp enjoyed another good season, (Memorial Day thru mid September), under the leadership of Richard and Maureen Bedard. The family/group picnic facility features 9 family grill/shelters and one large group site, playground equipment, small equipment such as horseshoes, volleyball, whiffle balls and bats, soccer balls and several other items to make your visit enjoyable. A nature trail designed and constructed by

Forester Dana Blais can be educational and enjoyable. School groups and youth leaders are encouraged to schedule picnics and activities at the Community Camp, (call 788-3546 for reservations).

The Colonel Town Bambino League hosted the 1986 New England tournament. The ninety boys, ages 11-12 found a warm reception by our host families who earned a well done from League President Jean Oleson, as did many committee workers who made the event a huge Lancaster success story. The defending champion local league team did very well finishing 3rd in New England.

Lancaster's recreational opportunities are improved through cooperation between school department administrators, the town office crew and the town highway and water departments, who come to our assistance many times during the year. Their continued cooperation is appreciated.

Volunteers, throughout our many programs, play a very important role in any success we may attain. Our need for program leaders, coaches, officials and league officials, continue. You may be the missing volunteer leader the program needs. Please contact your recreation department and volunteer to serve.

General costs of operating and maintaining the communities recreation facilities have increased much faster than income growth. The Spending Committee has kept within its income by utilizing government programs, taking advantage of available capital improvements and facility improvement grants and matching funds to make major improvements while keeping maintenance costs stable, keeping energy conservation high on our priority list when making capital expenditures and by squeezing budget items they have some control over.

Andrea and I express our appreciation to the Spending Committee members for their support and leadership. A special thanks for their many years of service to retiring chairman Cliff Rowe and to Treasurer James Fitch. Thanks also to each person who has served on the Tol. Town staff during the year and for their dedication to providing the best possible in programs.



A scene repeated often during the summer—"a picnic at the Community Camp."

Colonel Town Spending Committee

Annual Report

Year Ended December 31, 1986

Checkbook Balance January 1, 1986	\$	6,224.17
HI FI Balance January 1, 1986		1,235.58
	\$	<u>7,459.75</u>

RECEIPTS

Col. Town Trust Fund Balance of 1985 earnings	\$ 28,486.69	
Col. Town Trust Fund Received in 1986 Earnings	<u>75,000.00</u>	\$ 110,946.44

Interest Income:

Checking Account	429.04	
HI FI Account	<u>620.89</u>	\$ 1,049.93

House Fees	945.00
Camp Fees	732.41
Swimming Pool - Season Tickets/Fees	7,072.57
Vehicle - Trip Reimbursements	572.60

SPECIAL ACTIVITIES

Class Fees	\$ 705.00	
Coca Cola	1,104.95	
Softball Lights Reimbursements	500.00	
Sale of Candy, Pool Table Income	123.70	
Conservation Fund Reimbursement	1,290.00	
Tractor Sale	200.00	
Piano Repair Reimbursement	75.00	
Halloween	<u>210.00</u>	\$ 4,208.65

TOTAL RECEIPTS TO DECEMBER 31, 1986	\$	<u><u>125,527.66</u></u>
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EXPENDITURES

Wages & Salaries		\$	50,632.06
Insurances:			
Workmen's Compensation	\$	2,759.00	
Multi-Peril		13,404.00	
Unemployment		267.15	
Employee Life		186.66	
Bus/Pickup Truck		2,242.00	
Treasurer's Bond		50.00	
			\$ 18,908.81
Social Security			3,620.26
Blue Cross/Blue Shield			3,146.18
Retirement			1,889.71
Fuel Oil - House			5,767.41
Electricity - House			2,523.94
Telephone - House			872.86
Office Supplies			301.36
Maintenance Supplies			2,461.63
Repairs and Maintenance			2,461.28
Recreation Supplies and Expenses			3,549.03
Recreation Conferences and Meetings			564.00

MISCELLANEOUS

Treasurer's Fee	\$	800.00	
Treasurers' Supplies		38.50	
Water and Sewer		--	
Television Cable		217.10	
Dues/Memberships		128.00	
Col. F.L. Town Cemetery Lot Flowers		132.00	
Miscellaneous		494.19	
			\$ 1,809.79

APPROPRIATIONS

Juvenile Library	\$	2,500.00	
Girl Scouts		350.00	
School Awards		200.00	
			\$ 3,050.00
Community Field			1,588.80
Vehicles: Gasoline	\$	1,249.70	
Repairs & Service		746.04	
			\$ 3,584.54

SKATING RINK

Repairs/Supplies/Advertising	\$	137.09	
Electricity		325.27	
Fuel Oil		579.85	
			\$ 1,042.21

SWIMMING POOL

Repairs	\$	1,686.94	
Supplies/Chemicals		1,658.93	
Electricity		1,791.42	
Fuel Oil		565.20	
Telephone		358.20	
			\$ 6,060.67

COMMUNITY CAMP

Repairs/Maintenance/Supplies	\$	790.66	
Electricity		294.95	
Telephone		292.54	
			\$ 1,378.15

SPECIAL ACTIVITIES

Instructors Fees	\$	455.00	
Coca Cola		785.98	
			\$ 1,240.98

CAPITAL EXPENDITURES

New Vacuum Cleaner	\$	557.90	
Basement Painting		666.00	
Dishwasher		368.99	
Vinyl Siding		2,910.00	
			\$ 4,502.89

TOTAL EXPENDITURES			119,367.78
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Balance on Hand December 31, 1986	\$	<u>6,159.88</u>
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Checkbook Balance December 31, 1986		924.30
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HI FI Balance December 31, 1986		5,235.58
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	\$	<u>6,159.88</u>
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Colonel F. L. Town Trust Fund

YEAR ENDED DECEMBER 31, 1986

Investments, December 31, 1985	\$ 1,420,396.54
Income From Investments - 1986	128,162.21
Cash Income on Hand - 1/1/86	8,026.20
Profit From Scurity Sales	113,833.51
	<u>\$ 1,670,418.46</u>

Payments to F. L. Town Spending Comm.	(Sch. 4)	\$ 116,335.22
Expenses of Administration *	(Sch. 5)	15,208.59
Repurchase of Options Sold	(Sch. 6)	741.64
Income Held in Suspense **	(Sch. 8)	2,887.70
Cash Income in Transit	(Sch. 8)	1,015.26
Investments, December 31, 1986		1,534,230.05
		<u>\$ 1,670,418.46</u>

* Expenses of Administration:

Fiduciary Bond	\$ 103.00
Safe Deposit Box	35.00
Accounting Fee	750.00
Bank Fees	5.00
Management Fee	14,315.59
	<u>\$ 15,208.59</u>

** Options Sold on 1986 with
Payments Due in 1987

Original Trust - 1926	\$ 335,022.50
Profits	1,390,775.65
Losses	(191,568.10)
Trust - December 31, 1986	<u>\$ 1,534,230.05</u>

COL. F. L. TOWN FUND - YEAR ENDED DECEMBER 31, 1986 - INVENTORY - INCOME - GAINS (LOSSES)

NAME OF SECURITY	DATE OF PURCHASE	PAR OR SHARES	INVENTORY 12/31/85	INVENTORY 12/31/86	YEAR END MARKET	1986	
						INCOME	GAINS (LOSSES)
Alabama Power Company	7 3/4 2002	50,000.00	50,000.00	50,000.00	45,875.00	3,875.00	
Columbia Gas System	7 1/2 1997	50,000.00	50,000.00	50,000.00	47,000.00	3,750.00	
Consolidated Edison	9 3/8 2000	15,000.00	15,000.00	15,000.00	15,468.75	1,468.26	
Ohio Edison Company	9 1/4 2000	20,000.00	20,000.00	20,000.00	19,525.00	1,850.00	
U. S. Treasury Bonds	10 1/2 1995	50,000.00	49,000.00	49,000.00	59,800.00	5,250.00	
U. S. Treasury Notes	13 3/4 1986	30,000.00	29,268.75	-0-	-0-	2,062.50	731.25
U. S. Treasury Notes	9 1987	40,000.00	40,000.00	40,000.00	40,360.00	3,600.00	
U. S. Treasury Notes	9 1/4 1989	50,000.00	50,000.00	50,000.00	52,630.00	4,625.00	
U. S. Treasury Notes	14 1/2 1991	50,000.00	50,000.00	50,000.00	64,300.00	7,250.00	
U. S. Treasury Notes	11 7/8 1993	50,000.00	49,984.38	49,984.38	62,200.00	5,937.50	
U. S. Treasury Bonds	5 15/86 2001	50,000.00	-0-	50,621.18	51,750.00	2,000.00	
Aetna Life & Casualty Co.	1/30/85	1500	58,252.90	58,252.90	84,652.50	3,960.00	
American Tel & Tel Co.	11/30/79	1000	15,453.70	15,453.70	25,000.00	1,200.00	
Bell South Corporation	2/21/84	500	13,216.87	13,216.87	28,875.00	1,490.00	
Cincinnati Gas & Electric Co.	1/25/82	1075	25,511.68	25,511.68	28,621.88	2,322.00	
Dresser Industries, Inc.	1/06/83	2500	52,414.23	52,414.23	48,437.50	1,500.00	
Duquesne Light Co.	3/10/81	600	17,776.88	17,776.88	7,350.00	978.00	
Exxon Corporation	10/28/75	2000	45,279.65	45,279.65	140,250.00	7,200.00	
Federal Nat'l. Mortgage Corp.	9/20/81	2000	8,494.80	-0-	-0-	80.00	44,193.33
FPL Group	12/21/70	800	14,382.28	14,382.28	25,300.00	1,616.00	
Freeport McMoran Oil & Gas	9/30/83	1077	1.00	1.00	5,250.37	1,230.81	
General Electric Corporation	1/25/85	1000	60,246.57	68,274.61	86,000.00	2,030.00	
Halliburton Corporation	1/06/83	1500	58,797.72	58,797.72	36,562.50	1,800.00	9,274.49
International Business Machines	8/09/84	600	72,808.73	72,808.73	72,000.00	2,640.00	
Iowa Resources, Inc.	7/23/69	2000	27,357.50	27,357.50	9,500.00	3,180.00	
Irving Bank Corporation	11/27/74	3000	31,341.80	31,341.80	137,625.00	6,240.00	
Merck & Company, Inc.	6/14/78	800	48,848.31	-0-	-0-	1,440.00	59,436.44
Northrop Corporation	8/09/84	2100	72,781.01	72,781.01	82,425.00	2,520.00	
Ohio Edison Company	9/20/60	1700	39,921.11	39,921.11	33,150.00	3,264.00	
Pacific Telesis Corporation	2/21/84	1000	28,280.27	28,280.27	53,250.00	2,995.00	
Pfizer, Inc.	11/21/85	1500	75,312.50	75,312.50	91,500.00	2,460.00	
Philadelphia Electric Corporation	12/21/70	600	13,010.28	13,010.28	13,575.00	1,320.00	
Southwestern New England Telephone	7/08/65	874	23,533.34	23,533.34	47,086.75	2,447.20	
Texas Eastern Corporation	1/30/86	1500	-0-	51,453.20	40,687.50	2,400.00	
Union Electric Company	9/20/61	2500	47,152.37	47,152.37	71,875.00	4,650.00	
Dreyfus Corp.	5/28/86	1800	15,000.00	59,693.56	52,200.00	252.00	
Sivooganoek Guaranty - Savings			-0-	-0-	-0-	396.66	
Sivooganoek Guaranty - NOM			-0-	-0-	-0-	1,337.45	
Burgess & Leith Advest - Options			-0-	-0-	-0-	13,075.66	
Burgess & Leith Advest - Interest			-0-	-0-	-0-	10,531.17	
			151,967.91	197,617.30	197,617.30		
			1,420,396.54	1,534,230.05	1,917,770.05		
							113,833.51

Report of Audit

TOWN OF LANCASTER

AUDITED FINANCIAL STATEMENTS

AND SUPPLEMENTAL SCHEDULES

DECEMBER 31, 1986

FRANCIS J. DINEEN
CERTIFIED PUBLIC ACCOUNTANT

TOWN OF LANCASTER
LANCASTER, NEW HAMPSHIRE

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TOWN OF LANCASTER
LANCASTER, NEW HAMPSHIRE

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AUDITORS' REPORT ON FINANCIAL PRESENTATION

To The Members of
The Board of Selectmen
Town of Lancaster
Lancaster, New Hampshire 03584

We have examined the combined financial statements and the combining individual fund and account group financial statements of the Town of Lancaster, New Hampshire as of and for the year ended December 31, 1986, as listed in the table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of the Town Trust Funds and Capital Reserve Funds, which statements reflect total assets constituting 18 per cent of the combined total financial statements. These statements were examined by other auditors whose report thereon has been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included for the Town Trust and Capital Reserve Funds, is based solely upon the report of the other auditors.

As described in Note 1B, the combined financial statements referred to above do not include financial statements of the General Fixed Assets Group of Accounts which should be included to conform with generally accepted accounting principles.

In our opinion, except that omission of the General Fixed Asset Group of Accounts results in an incomplete presentation as explained in the above paragraph, and based upon our examination and the report of other auditors, the combined financial statements and the combining, individual fund and account group financial statements referred to above present fairly the financial position of the Town of Lancaster, New Hampshire at December 31, 1986, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the combined financial statements taken as a whole and on the combining, individual fund and account group financial statements. The accompanying

Board of Selectmen
Town of Lancaster

financial information listed as supplemental schedules, which also includes the supplemental schedule of Federal Financial Assistance, in the table of contents is presented for purposes of additional analysis and is not a required part of the combined financial statements of the Town of Lancaster, New Hampshire. The information has been subjected to the auditing procedures applied in the examination of the combined, combining, individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Francis J. Dineen". The signature is written in a cursive style with a large, prominent "F" and "D".

February 18, 1987

ACCOUNTANTS' REPORT ON INTERNAL CONTROLS USED IN
ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Members of
The Board of Selectmen
Town of Lancaster
Lancaster, New Hampshire 03584

We have examined the general purpose financial statements of the Town of Lancaster for the year ended December 31, 1986, and have issued our report thereon dated February 18, 1987. As part of our examination, we made a study and evaluation of the internal control systems, including applicable internal administrative controls, used in administering federal financial assistance programs to the extent we considered necessary to evaluate the systems as required by generally accepted auditing standards, the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the U.S. General Accounting Office, the Single Audit Act of 1984 and the provisions of OMB Circular A-128, Audits of State and Local Governments. For the purpose of this report, we have classified the significant financial assistance programs in the following categories:

Accounting Applications:

- Receivables
- Cash receipts
- Purchasing and receiving
- Accounts payable
- Cash disbursements
- Payroll
- Inventory control
- Property and equipment
- General ledger

Administering Federal Programs:

General Requirements:

- Davis-Bacon Act
- Civil Rights
- Cash management
- Relocation assistance
- Federal financial report

Specific Requirements:

- Types of service
- Eligibility
- Matching level of effort
- Reporting
- Cost allocation
- Special requirements, if any

Board of Selectmen
Town of Lancaster

The management of the Town is responsible for establishing and maintaining internal control systems used in administering federal financial assistance programs. In fulfilling that responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control systems used in administering federal financial assistance programs are to provide management with reasonable, but not absolute, assurance that, with respect to federal financial assistance programs, resource use is consistent with laws, regulations and policies; resources are safeguarded against waste, loss and misuse; and reliable data are obtained, maintained and fairly disclosed in reports.

Because of inherent limitations in any system of internal accounting and administrative controls used in administering federal financial assistance programs, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the systems to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study included all the applicable control categories listed above. During the year ended December 31, 1986, the Town expended 89% of its total federal assistance under major federal assistance programs. With respect to internal control systems used in administering federal financial assistance programs, our study and evaluation included considering the types of errors and irregularities that could occur, determining the internal control procedures that should prevent or detect such errors and irregularities, determining whether the necessary procedures are prescribed and are being followed satisfactorily, and evaluating any weaknesses.

With respect to the internal control systems used solely in administering the nonmajor federal financial assistance programs of the Town, our study and evaluation was limited to a preliminary review of the systems to obtain an understanding of the control environment and the flow of transactions through the accounting system. Our study and evaluation of the internal control systems used solely in administering the nonmajor federal financial assistance programs of the Town of Lancaster did not extend beyond this preliminary review phase.

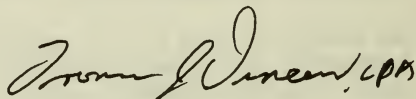
Our study and evaluation was more limited than would be necessary to express an opinion on the internal control systems used in administering the federal financial assistance programs of the Town. Accordingly, we do not express an opinion on the internal control systems used in administering the federal financial assistance programs of the Town.

Board of Selectmen
Town of Lancaster

Also, our examination, made in accordance with the standards mentioned above, would not necessarily disclose material weaknesses in the internal control systems used in administering federal financial assistance programs. Since the Town is small in size, records and transactions are administered by four persons. The absence of segregation of duties creates inherent limitations in the internal control systems and potential weaknesses are likely to exist. Except as noted above, our study and evaluation and our examination disclosed no conditions that we believe to be a material weakness in relation to a federal financial assistance program of the Town.

This report is intended solely for the use of the Board of Selectmen of the Town, the cognizant audit agency and other associated federal organizations, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance of the Town, is a matter of public record.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Thomas J. Vincent, CPA". The signature is fluid and cursive, with the initials "CPA" written in a slightly different style at the end.

February 18, 1937

LANCASTER TOWN WARRANT

THE STATE OF NEW HAMPSHIRE

To the inhabitants of the Town of Lancaster, in the County of Coos, qualified to vote in the Town affairs:

You are hereby notified to meet at the Town Hall in said Lancaster on Tuesday, the Tenth day of March, at ten o'clock in the forenoon to act upon the subjects hereinafter mentioned. The polls will be open at said meeting place on said date from ten o'clock in the forenoon until seven o'clock in the afternoon for the reception of your ballots for the election of Town Officers and said polls will be open for such additional time after 7:00 P.M. as shall be determined by said meeting for the reception of your ballots on any matters to be voted on by written ballot at said meeting.

1. To choose all necessary Town Officers for the ensuing year.
* To be voted by ballot while the polls are open.
2. To see what action the Town will take on the following questions relative to the Lancaster Zoning Ordinance:

- A. Amendment #1: Are you in favor of the adoption of Amendment #1 as proposed by the Planning Board for the town zoning ordinance as follows:

Amend Article V, Residential District, Section 5, which requires no more than two (2) apartment house dwelling units per 10,000 square feet of land; and amend the minimum lot size to 100 foot frontage and 10,000 square feet. Amend Article VII A, Paragraph 7, by changing 200 foot width to 200 foot frontage.

- B. Amendment #2: Are you in favor of the adoption of Amendment #2 as proposed by the Planning Board for the town zoning ordinance as follows:

Amend Article III, Definitions, by including the definition of Manufactured Housing the same as defined in the N.H. Statute. Amend by adding Article VII which provides for Manufactured Housing to locate on individual lots in described areas of the Town.

- C. Amendment #3: Are you in favor of the adoption of Amendment #3 as proposed by the Planning Board for the town zoning ordinance as follows:

Amend the Lancaster Zoning map by adding to the depth of the Residential Area on part of Elm Street.

- * To be voted by ballot while the polls are open.

3. To see if the Town will vote to raise and appropriate the sum of Two Hundred and Fifty Thousand Dollars (\$250,000) for the purpose of financing the cost of public water system improvements, particularly the lining and covering of the water storage reservoir and related improvements, and for this purpose authorize the Selectmen and Treasurer to borrow, by the issue of serial notes or bonds of the Town in accordance with the provisions of the NH RSA Chapter 33, the Municipal Finance Act, and any amendments thereto, the sum of Two Hundred and Fifty Thousand Dollars (\$250,000) and to authorize the Selectmen to determine the time and place of payment and the rate of interest, and do whatever may be necessary and convenient in connection with the issuance thereof. (Recommended by the Budget Committee)

4. To see if the Town of Lancaster will vote to create a special unpaid committee to be known as the Upper Grafton/Lancaster Area Refuse Disposal Planning Committee pursuant to RSA 53-B:1, and appropriate a sum not to exceed \$11,696.00 for investigative engineering services. This committee shall study the advisability of establishing a Regional Refuse Disposal District and shall report back to the Selectment and the Town for further action at a subsequent Town Meeting.

5. To see if the Town will vote to establish a Capital Reserve Fund for the purpose of Landfill Close Out; to make the Board of Selectmen Trustees of said Capital Reserve Fund and for that purpose raise and appropriate and transfer to said Capital Reserve Fund the sum of Five Thousand Dollars (\$5,000).

6. To see if the Town will vote to establish a Capital Reserve Fund for the purpose of promoting Business and Industrial Development; to make the Board of Selectmen Trustees of said Capital Reserve Fund, and for that purpose raise and appropriate and transfer the sum of \$7,700 to said Capital Reserve Fund.

7. To see if the Town will vote to transfer the sum of \$12,000 raised at the 1986 Town Meeting under Article 11 and add same to the Capital Reserve Fund for the purpose of promoting Business and Industrial Development.

8. To see if the Town will vote to change the purpose of the Capital Reserve Fund established previously for acquiring lands, to a Capital Reserve Fund for the purpose of Town Garage improvements.

9. To see if the Town will vote to appropriate and transfer from the Capital Reserve Fund established for the purpose of Town Garage improvements the sum of Seven Thousand Dollars (\$7,000) to be used to defray the cost of Town Garage improvements, overhead door replacement.

10. To see if the Town will vote to raise appropriate the sum of Thirteen Thousand Five Hundred Dollars (\$13,500) for the purpose of providing certain insurance coverage for the Colonel Town property and facilities. (Recommended by the Budget Committee)

11. To see if the Town will vote to raise and appropriate the sum of One Thousand Five Hundred Thirty-Six Dollars (\$1,536) to contribute to a regional Household Hazardous Waste Collection Project. This program will provide for the proper disposal of hazardous household products, which are corrosive, toxic, reactive, and/or flammable, including household cleaners, paint products, pesticides and herbicides, and the like. Subject to adequate funding, collection will take place by June 30, 1987. (Not recommended by the Budget Committee)

12. To see if the Town will vote to raise and appropriate the sum One Thousand Three Hundred Ninety-Eight Dollars (\$1,398) for the purpose of supporting the Lancaster District Court Juvenile Diversion Program. (Recommended by the Budget Committee)

13. To see if the Town will vote to raise and appropriate the sum of Sixteen Hundred Eighty Dollars (1,680) for support of the Community Action Outreach Program. (Recommended by the Budget Committee)

14. To see if the Town will vote to raise and appropriate the sum of Eight Thousand Five Hundred Dollars (\$8,500) for the purpose of purchasing a certain parcel of land located adjacent to the municipal parking lot on the southerly side of Bunker Hill Street; and to authorize the Board of Selectmen to purchase said parcel of land and to do all things necessary to finalize said purchase. (Not recommended by the Budget Committee)

15. Shall we adopt the provisions of RSA 72:1-c, which authorize any town or city to elect not to assess, levy and collect a resident tax?

16. To see if the Town will vote to accept as a public street the right-of-way as described within the subdivision known as Hartco Residential Development, located westerly of Portland Street upon such terms and conditions as may be agreeable to the Selectmen.

17. To see if the Town will vote to instruct the town's representatives to the General Court to take all necessary measures to insure that no low level radioactive waste from the Seabrook nuclear plant shall be stored or disposed of within the Town of Lancaster unless and until the proposed site of the proposed storage or disposal has been approved by the voters of the town at the annual Town Meeting by written ballot.

18. To see if the Town will vote to authorize the Selectmen and Town Treasurer to borrow a sum or sums of money not exceeding in the aggregate the amount of the tax commitment of the previous year (1986) in anticipation of the collection of taxes for the current municipal year, and to issue in the name and on the credit of the Town, negotiable notes therefor, said notes to be paid in the current municipal year from taxes collected during the current municipal year.

19 To see if the Town will vote to authorize the Board of Selectmen to administer and dispose of any real estate acquired by Tax Collector's Deed at public or private sale, as the Selectmen, in their sole discretion, deem equitable and just. (RSA 80:42 (I and III)).

20 To see if the Town will vote to authorize the Selectmen to apply for, accept and expend money from the state, federal or another governmental unit or private source which becomes available during the year in accordance with the procedures set forth in NH RSA 31:95-b.

21 To see if the Town will vote to accept the budget as submitted by the Budget Committee.

22. To direct how money raised for the above purposes be expended.

23. To act upon any other business which may legally come before said meeting.

* Articles 1 and 2 to be voted by ballot while the polls are open.

DATED this 19th day of February, 1987.



John P. Martin - Chairman



Michael W. Beattie



Dean H. Wesson
Selectmen, Town of Lancaster

ACCOUNTANTS' REPORT ON COMPLIANCE WITH LAWS AND
REGULATIONS RELATED TO MAJOR AND NONMAJOR FEDERAL
FINANCIAL ASSISTANCE PROGRAMS

To the Members of
The Board of Selectmen
Town of Lancaster
Lancaster, New Hampshire 03584

We have examined the general purpose financial statements of the Town of Lancaster for the year ended December 31, 1986, and have issued our report thereon dated February 12, 1987. Our examination was made in accordance with generally accepted auditing standards; the provisions of Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, promulgated by the U.S. Comptroller General, as they pertain to financial and compliance audits; the Single Audit Act of 1984 (Pub. L. No. 98-502); the provision of the Office of Management and Budget's Compliance Supplement for Single Audits of Grants to State and Local Governments (the Compliance Supplement), and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

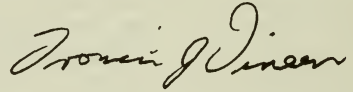
The management of the Town of Lancaster is responsible for the Town's compliance with laws and regulations. In connection with the examination referred to above, we selected and tested transactions and records from the major federal financial assistance program and the nonmajor federal financial assistance program. The purpose of our testing of transactions and records from those federal financial assistance programs was to obtain reasonable assurance that the Town of Lancaster had, in all material respects, administered major programs, and executed the tested nonmajor program transactions, in compliance with laws and regulations, including those pertaining to financial reports and claims for advances and reimbursements, noncompliance with which we believe could have a material effect on the allowability of program expenditures.

Board of Selectmen
Town of Lancaster

In our opinion, for the year ended December 31, 1986, the Town of Lancaster administered its major financial assistance program in compliance, in all material respects, with laws and regulations, including those pertaining to financial reports and claims for advances and reimbursements, non-compliance with which we believe could have a material effect on the allowability of program expenditures.

The result of our testing of transactions and records selected from non-major federal financial assistance programs indicate that for the transactions and records tested the Town of Lancaster complied with the laws and regulations referred to in the second paragraph of our report. Our testing was more limited than would be necessary to express an opinion on whether the Town of Lancaster administered those programs in compliance in all material respects with those laws and regulations noncompliance with which we believe could have a material effect on the allowability of program expenditures; however, with respect to the transactions and records that were not tested by us, nothing came to our attention to indicate that the Town of Lancaster had not complied with the laws and regulations referred to above.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Thomas J. Wines". The signature is written in a cursive style with a large, prominent initial 'T'.

February 18, 1987

GENERAL PURPOSE
FINANCIAL STATEMENTS

EXHIBIT ATOWN OF LANCASTERCombined Balance Sheet - All Fund Types and Account GroupsDecember 31, 1986

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash	\$ 124,137.83	\$162,072.87	\$ 11,260.15
Investments, At Cost	671,486.90	-	348,715.83
<u>Receivables</u>			
Taxes	394,718.62	-	-
Accounts	21,457.31	23,678.09	-
Due From Other Governments	-	-	71,505.00
Due From Other Funds	14,562.02	74,343.77	83,734.73
Accrued Interest	1,137.00	-	2,782.00
Amount to be Provided for Retirement of General Long- Term Debt	-	-	-
Total Assets	<u>\$1,227,499.68</u>	<u>\$260,094.73</u>	<u>\$517,997.71</u>
<u>LIABILITIES AND FUND EQUITY</u>			
<u>Liabilities</u>			
Accounts Payable	\$ -	\$ 552.39	\$ -
School District Tax Payable	941,410.91	-	-
Yield Tax Security Deposits	140.00	-	-
Due to Other Funds	15,033.07	5,131.41	78,132.27
Due to Others	-	-	-
General Obligations Bonds and Notes Payable	-	-	-
Total Liabilities	<u>956,583.98</u>	<u>5,683.80</u>	<u>78,132.27</u>
<u>Fund Equity</u>			
<u>Fund Balances</u>			
Reserved for Encumbrances	145,357.29	-	-
Reserved for Endowments	-	8,564.48	-
<u>Unreserved</u>			
Designated for Capital Acquisitions	-	12,513.28	437,083.44
Undesignated	125,558.41	233,333.17	2,782.00
Total Fund Equity	<u>270,915.70</u>	<u>254,410.93</u>	<u>439,865.44</u>
Total Liabilities and Fund Equity	<u>\$1,227,499.68</u>	<u>\$260,094.73</u>	<u>\$517,997.71</u>

EXHIBIT A

<u>Fiduciary Fund Types</u>	<u>Account Groups</u>	<u>Totals</u>
<u>Trust and Agency</u>	<u>General Long- Term Debt</u>	<u>(Memorandum Only)</u>
		<u>December 31, 1986</u>
\$ 776,730.38	\$ -	\$1,074,201.23
1,760,110.67	-	2,780,313.40
-	-	394,718.62
-	-	45,135.40
-	-	71,505.00
-	-	172,640.52
-	-	3,919.00
-	726,225.00	726,225.00
<u>\$2,536,841.05</u>	<u>\$726,225.00</u>	<u>\$5,268,658.17</u>
\$ -	\$ -	\$ 552.39
-	-	941,410.91
-	-	140.00
28,008.55	-	126,305.30
27,613.68	-	27,613.68
-	726,225.00	726,225.00
<u>55,622.23</u>	<u>726,225.00</u>	<u>1,822,247.28</u>
-	-	145,357.29
2,076,496.51	-	2,085,060.99
404,722.31	-	854,319.03
-	-	361,673.58
<u>2,481,218.82</u>	<u>-</u>	<u>3,446,410.89</u>
<u>\$2,536,841.05</u>	<u>\$726,225.00</u>	<u>\$5,268,658.17</u>

The accompanying notes form an integral part of these financial statements.

EXHIBIT BTOWN OF LANCASTERCombined Statement of Revenues, Expenditures and Changes
In Fund BalancesAll Governmental Fund TypesFor The Fiscal Year Ended December 31, 1986

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
<u>Revenues</u>			
Taxes	\$2,152,189.37	\$ -	\$ -
Intergovernmental Revenues	356,117.88	27,554.00	113,497.00
Local Sources	294,191.81	210,437.69	22,577.54
<u>Other Financing Sources</u>			
Interfund Transfers	115,206.87	185,113.53	-
Proceeds of Long-Term Notes	-	-	90,000.00
<u>Total Revenues & Other Sources</u>	<u>2,917,705.93</u>	<u>423,105.22</u>	<u>226,074.54</u>
<u>Expenditures</u>			
General Government	112,524.17	-	-
Protection of Persons & Property	229,852.41	-	-
Health and Sanitation	111,868.37	-	-
Highways and Bridges	282,773.99	-	-
Libraries	-	49,051.67	-
Public Welfare	11,248.54	-	-
Patriotic Purposes	500.00	-	-
Recreation	4,077.72	117,273.03	-
Public Service Enterprises	-	154,315.51	-
Unclassified	52,207.23	-	-
Debt Service	165,656.97	-	-
Capital Outlay	70,692.62	-	448,689.88
Overlay	26,783.15	-	-
<u>Other Uses</u>			
Interfund Transfers	40,564.00	59,955.87	67,351.00
Transfers to Other Governmental Units	1,754,138.90	-	-
<u>Total Expenditures and Other Uses</u>	<u>2,862,888.07</u>	<u>380,596.08</u>	<u>516,040.88</u>
<u>Excess of Revenues & Other Sources Over (Under) Expenditures and Other Uses</u>	54,817.86	42,509.14	(289,966.34)
<u>Fund Balances - January 1</u>	<u>216,097.84</u>	<u>211,901.79</u>	<u>729,831.78</u>
<u>Fund Balances - December 31</u>	<u>\$ 270,915.70</u>	<u>\$254,410.93</u>	<u>\$439,865.44</u>

EXHIBIT B

Totals Year Ended
(Memorandum Only)
December 31, 1986

\$2,152,189.37
497,168.88
527,207.04

300,320.40
90,000.00

3,566,885.69

112,524.17

229,852.41
111,868.37
282,773.99
49,051.67
11,248.54
500.00
121,350.75
154,315.51
52,207.23
165,656.97
519,382.50
26,783.15

167,870.87

1,754,138.90

3,759,525.03

(192,639.34)

1,157,831.41

\$ 965,192.07

EXHIBIT CTOWN OF LANCASTERCombined Statement of Revenues, Expenditures and ChangesIn Fund BalancesBudget and ActualGeneral and Special Revenue Fund TypesFor The Fiscal Year Ended December 31, 1986

	<u>General Fund</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>
<u>Revenues</u>			<u>(Unfavorable)</u>
Taxes	\$2,136,651.00	\$2,152,189.37	\$ 15,538.37
Intergovernmental Revenues	355,756.00	356,117.88	361.88
Local Sources	244,535.00	294,191.81	49,656.81
<u>Other Financing Sources</u>			
Interfund Transfers	134,651.00	115,206.87	(19,444.13)
Proceeds of Long-Term Notes	-	-	-
<u>Total Revenues and Other Sources</u>	<u>2,871,593.00</u>	<u>2,917,705.93</u>	<u>46,112.93</u>
<u>Expenditures</u>			
General Government	187,429.09	112,524.17	74,904.92
Protection of Persons and Property	237,066.00	229,852.41	7,213.59
Health and Sanitation	116,494.00	111,868.37	4,625.63
Highways and Bridges	288,950.00	282,773.99	6,176.01
Libraries	-	-	-
Public Welfare	16,600.00	11,248.54	5,351.46
Patriotic Purposes	500.00	500.00	-
Recreation	3,500.00	4,077.72	(577.72)
Public Service Enterprises	-	-	-
Unclassified	88,325.00	52,207.23	36,117.77
Debt Service	167,460.00	165,656.97	1,803.03
Capital Outlay	100,100.00	70,692.62	29,407.38
Overlay	24,943.00	26,783.15	(1,840.15)
<u>Other Uses</u>			
Interfund Transfers	40,064.00	40,564.00	(500.00)
Tranfers to Other Governmental Units	1,753,996.00	1,754,138.90	(142.90)
<u>Total Expenditures and Other Uses</u>	<u>3,025,427.09</u>	<u>2,862,888.07</u>	<u>162,539.02</u>
<u>Excess Revenues and Other Sources Over (Under) Expenditures & Other Uses</u>	<u>(153,834.09)</u>	<u>54,817.86</u>	<u>208,651.95</u>
<u>Fund Balance - January 1</u>	<u>216,097.84</u>	<u>216,097.84</u>	<u>-</u>
<u>Fund Balance - December 31</u>	<u>\$ 62,263.75</u>	<u>\$ 270,915.70</u>	<u>\$208,651.95</u>

EXHIBIT C

Special Revenue Fund			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$2,136,651.00	\$2,152,189.37	\$ 15,538.37
58,300.00	27,554.00	(30,746.00)	414,056.00	383,671.88	(30,384.12)
168,238.00	210,437.69	42,199.69	412,773.00	504,629.50	91,856.50
184,000.00	185,113.53	1,113.53	318,651.00	300,320.40	(18,330.60)
-	-	-	-	-	-
410,538.00	423,105.22	12,567.22	3,282,131.00	3,340,811.15	58,680.15
-	-	-	187,429.09	112,524.17	74,904.92
-	-	-	237,066.00	229,852.41	7,213.59
-	-	-	116,494.00	111,868.37	4,625.63
-	-	-	288,950.00	282,773.99	6,176.01
36,564.00	49,051.67	(12,487.67)	36,564.00	49,051.67	(12,487.67)
-	-	-	16,600.00	11,248.54	5,351.46
-	-	-	500.00	500.00	-
150,324.00	117,273.03	33,050.97	153,824.00	121,350.75	32,473.25
154,850.00	154,315.51	534.49	154,850.00	154,315.51	534.49
-	-	-	88,325.00	52,207.23	36,117.77
-	-	-	167,460.00	165,656.97	1,803.03
-	-	-	100,100.00	70,692.62	29,407.38
-	-	-	24,943.00	26,783.15	(1,840.15)
68,800.00	59,955.87	8,844.13	108,864.00	100,519.87	8,344.13
-	-	-	1,753,996.00	1,754,138.90	(142.90)
410,538.00	380,596.08	29,941.92	3,435,965.09	3,243,484.15	192,480.94
-	42,509.14	42,509.14	(153,834.09)	97,327.00	251,161.09
211,901.79	211,901.79	-	427,999.63	427,999.63	-
\$211,907.79	\$254,410.93	\$42,509.14	\$ 274,165.54	\$ 525,326.63	\$251,161.09

EXHIBIT DTOWN OF LANCASTERCombined Statement of Revenues, Expenditures and ChangesIn Fund BalancesAll Trust FundsFor The Fiscal Year Ended December 31, 1986

	<u>Town Trust Funds</u>	
	<u>Expendable</u>	<u>Nonexpendable</u>
<u>Revenues</u>		
New Funds	\$ -	\$ 1,040.00
Interest and Dividend Income	48,071.54	-
Gain on Sale of Securities	-	24,678.39
<u>Other Financing Sources</u>		
Interfund Transfers	-	1,600.00
<u>Total Revenues and Other Sources</u>	<u>48,071.54</u>	<u>27,318.39</u>
<u>Expenditures</u>		
Administrative	-	-
Other Trust Disbursements	17,133.23	-
Loss on Sales of Securities	-	-
<u>Other Uses</u>		
Interfund Transfers	29,640.62	-
<u>Total Expenditures and Other Uses</u>	<u>46,773.85</u>	<u>-</u>
<u>Excess of Revenues and Other Sources</u>		
<u>Over (Under) Expenditures and Other Uses</u>	1,297.69	27,318.39
<u>Fund Balances - January 1</u>	<u>6,867.70</u>	<u>506,782.68</u>
<u>Fund Balances - December 31</u>	<u>\$ 8,165.39</u>	<u>\$534,101.07</u>

Capital Reserve Funds	Colonel F.L. Town Trust Funds		Totals (Memorandum Only) December 31, 1986
	<u>Expendable</u>	<u>Nonexpendable</u>	
\$ 12,000.00	\$ -	\$ -	\$ 13,040.00
21,669.12	128,162.21	-	197,902.87
-	-	113,833.51	138,511.90
<u>43,000.00</u>	<u>-</u>	<u>-</u>	<u>44,600.00</u>
<u>76,669.12</u>	<u>128,162.21</u>	<u>113,833.51</u>	<u>394,054.77</u>
-	15,208.59	-	15,208.59
13,002.12	-	-	30,135.35
-	-	-	-
<u>-</u>	<u>112,953.62</u>	<u>-</u>	<u>142,594.24</u>
<u>13,002.12</u>	<u>128,162.21</u>	<u>-</u>	<u>187,938.18</u>
63,667.00	-	113,833.51	206,116.59
<u>341,055.31</u>	<u>-</u>	<u>1,420,396.54</u>	<u>2,275,102.23</u>
<u>\$404,722.31</u>	<u>\$ -</u>	<u>\$1,534,230.05</u>	<u>\$2,481,218.82</u>

The accompanying notes form an integral part of these financial statements.

TOWN OF LANCASTER EXHIBIT E
Statement of Changes in Financial Position
All Nonexpendable Trust Funds
For The Fiscal Year Ended December 31, 1986

	<u>Fiduciary Fund Types Nonexpendable Trust Funds</u>
<u>Sources of Working Capital</u>	
<u>Operations</u>	
New Funds Created	\$ 2,640.00
Gain on Sale of Securities (Net)	<u>24,678.39</u>
Working Capital Provided By Operations	<u>27,318.39</u>
<u>Net Increase in Working Capital</u>	<u>\$27,318.39</u>
<u>Elements of Net Increase</u>	
<u>(Decrease) in Working Capital</u>	
Cash	\$15,456.91
Investments	<u>11,861.48</u>
<u>Net Decrease in Working Capital</u>	<u>\$27,318.39</u>

The accompanying notes form an integral part of these financial statements.

COMBINING AND INDIVIDUAL
FUND STATEMENTS

EXHIBIT A-1

TOWN OF LANCASTER
All Special Revenue Funds
Combining Balance Sheet
December 31, 1986

	<u>Federal Revenue Sharing</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>ASSETS</u>			
Cash	\$5,131.41	\$53,269.01	\$35,811.40
Investments	-	-	-
Accounts Receivable	-	13,778.56	9,899.53
Due From Other Governments	-	-	-
Due From Other Funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$5,131.41</u>	<u>\$67,047.57</u>	<u>\$45,710.93</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ -	\$ -	\$ -
Due To Other Funds	5,131.41	-	-
Total Liabilities	<u>5,131.41</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>			
Reserved for Endowments	-	-	-
<u>Unreserved</u>			
Designated For			
Capital Acquisitions	-	-	-
Undesignated	-	67,047.57	45,710.93
Total Fund Balances	<u>-</u>	<u>67,047.57</u>	<u>45,710.93</u>
<u>TOTAL LIABILITIES</u>			
<u>AND FUND BALANCES</u>	<u>\$5,131.41</u>	<u>\$67,047.57</u>	<u>\$45,710.93</u>

EXHIBIT A-1

<u>Colonel F.L. Town Income Spending Committee</u>	<u>Weeks Memorial Library</u>	<u>Cemetery Fund</u>	<u>Totals December 31, 1986</u>
\$ 6,159.88	\$10,673.02	\$51,028.15	\$162,072.87
-	-	-	-
-	-	-	23,678.09
-	-	-	-
<u>46,335.22</u>	<u>108.24</u>	<u>27,900.31</u>	<u>74,343.77</u>
<u>52,495.10</u>	<u>10,781.26</u>	<u>78,928.46</u>	<u>260,094.73</u>
\$ 405.25	\$ -	\$ 147.14	\$ 552.39
-	-	-	5,131.41
<u>405.25</u>	<u>-</u>	<u>147.14</u>	<u>5,683.80</u>
-	8,564.48	-	8,564.48
-	-	12,513.28	12,513.28
<u>52,089.85</u>	<u>2,216.78</u>	<u>66,268.04</u>	<u>233,333.17</u>
<u>52,089.85</u>	<u>10,781.26</u>	<u>78,781.32</u>	<u>254,410.93</u>
<u>\$52,495.10</u>	<u>\$10,781.26</u>	<u>\$78,928.46</u>	<u>\$260,094.73</u>

The accompanying notes form an integral part of these financial statements.

EXHIBIT A-2

TOWN OF LANCASTER

All Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For The Fiscal Year Ended December 31, 1986

	<u>Federal Revenue Sharing</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Revenues</u>			
Intergovernmental revenues	\$27,554.00	\$ -	\$ -
Local Sources	2,350.64	97,170.64	78,189.54
<u>Other Financing Sources</u>			
Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Revenues and Other Sources</u>	<u>29,904.64</u>	<u>97,170.64</u>	<u>78,189.54</u>
<u>Expenditures</u>	<u>-</u>	69,036.44	47,892.56
<u>Other Uses</u>			
Interfund Transfers	<u>47,855.87</u>	<u>-</u>	<u>8,000.00</u>
<u>Total Expenditures and Other Uses</u>	<u>47,855.87</u>	<u>69,036.44</u>	<u>55,892.56</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	(17,951.23)	28,134.20	22,296.98
<u>Fund Balance - January 1, 1986</u>	<u>17,951.23</u>	<u>38,913.37</u>	<u>23,413.95</u>
<u>Fund Balance - December 31, 1986</u>	<u>\$ -</u>	<u>\$67,047.57</u>	<u>\$45,710.93</u>

<u>Colonel F.L. Town Income Spending Committee</u>	<u>Weeks Memorial Library</u>	<u>Cemetery Fund</u>	<u>Totals December 31, 1986</u>
\$ - 14,581.22	\$ - 7,748.70	\$ - 10,396.95	\$ 27,554.00 210,437.69
<u>110,731.23</u>	<u>42,981.99</u>	<u>31,400.31</u>	<u>185,113.53</u>
<u>125,312.45</u>	<u>50,730.69</u>	<u>41,797.26</u>	<u>423,105.22</u>
117,273.03	49,051.67	37,386.51	320,640.21
<u>2,500.00</u>	<u>-</u>	<u>1,600.00</u>	<u>59,955.87</u>
<u>119,773.03</u>	<u>49,051.67</u>	<u>38,986.51</u>	<u>380,596.08</u>
5,539.42	1,679.02	2,810.75	42,509.14
<u>46,550.43</u>	<u>9,102.24</u>	<u>75,970.57</u>	<u>211,901.79</u>
<u>\$ 52,089.85</u>	<u>\$10,781.26</u>	<u>\$78,781.32</u>	<u>\$254,410.93</u>

The accompanying notes form an integral part of these financial statements.

TOWN OF LANCASTER
All Capital Projects Funds
Combining Balance Sheet
December 31, 1986

	Sewage Treatment Facility	<u>Phase II & III</u>
<u>ASSETS</u>		
Cash	\$ 11,260.15	\$ -
Investments, At Cost	348,715.83	-
Accrued Interest	2,782.00	-
Due From Other Governments	-	71,505.00
Due From Other Funds	<u>73,415.23</u>	<u>-</u>
TOTAL ASSETS	<u>\$436,173.21</u>	<u>\$71,505.00</u>
<u>LIABILITIES AND FUND BALANCES</u>		
<u>Liabilities</u>		
Contracts Payable	\$ -	\$ -
Due To Other Funds	<u>-</u>	<u>69,519.86</u>
Total Liabilities	<u>-</u>	<u>69,519.86</u>
<u>Fund Balances</u>		
Reserved For Encumbrances	-	-
<u>Unreserved</u>		
Designated for Capital Acquisitions	433,391.21	1,985.14
Undesignated	<u>2,782.00</u>	<u>-</u>
Total Fund Balances	<u>436,173.21</u>	<u>1,985.14</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$436,173.21</u>	<u>\$71,505.00</u>

EXHIBIT B-1

<u>Police Station</u>	<u>Burnside Brook Bridge</u>	<u>Totals December 31, 1986</u>
\$ -	\$ -	\$ 11,260.15
-	-	348,715.83
-	-	2,782.00
-	-	71,505.00
<u>10,319.50</u>	<u>-</u>	<u>83,734.73</u>
<u>\$10,319.50</u>	<u>\$ -</u>	<u>\$517,997.71</u>
\$ -	\$ -	\$ -
-	8,612.41	78,132.27
<u>-</u>	<u>8,612.41</u>	<u>78,132.27</u>
-	-	-
10,319.50	(8,612.41)	437,083.44
-	-	2,782.00
<u>10,319.50</u>	<u>(8,612.41)</u>	<u>439,865.44</u>
<u>\$10,319.50</u>	<u>\$ -</u>	<u>\$517,997.71</u>

The accompanying notes form an integral part of these financial statements

All Capital Projects FundsCombining Statement of Revenues, Expenditures and Changes in Fund Balances
For The Fiscal Year Ended December 31, 1986

	<u>Sewage Treatment Facility</u>	<u>Phase II & III</u>
<u>Revenues</u>		
Intergovernmental Revenues	\$ -	\$113,497.00
Local Sources	22,577.54	-
<u>Other Financing Sources</u>		
Interfund Transfers	-	-
Proceeds of Long-Term Notes	-	-
<u>Total Revenues and Other Sources</u>	<u>22,577.54</u>	<u>113,497.00</u>
<u>Expenditures</u>	-	369,009.38
<u>Other Uses</u>		
Interfund Transfers	67,351.00	-
<u>Total Expenditures and Other Uses</u>	<u>67,351.00</u>	<u>369,009.38</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	(44,773.46)	(255,512.38)
<u>Fund Balances - January 1, 1986</u>	<u>480,946.67</u>	<u>257,497.52</u>
<u>Fund Balances - December 31, 1986</u>	<u>\$436,173.21</u>	<u>\$ 1,985.14</u>

<u>Police Station</u>	<u>Burnside Brook Bridge</u>	<u>Totals December 31, 1986</u>
\$ -	\$ -	\$113,497.00
-	-	22,577.54
-	-	-
<u>90,000.00</u>	<u>-</u>	<u>90,000.00</u>
<u>90,000.00</u>	<u>-</u>	<u>226,074.54</u>
79,680.50	-	448,689.88
-	-	67,351.00
<u>79,680.50</u>	<u>-</u>	<u>516,040.88</u>
10,319.50	-	(289,966.34)
-	<u>(8,612.41)</u>	<u>729,831.78</u>
<u>\$10,319.50</u>	<u>\$ (8,612.41)</u>	<u>\$439,865.44</u>

The accompanying notes form an integral part of these financial statements.

EXHIBIT C-1

TOWN OF LANCASTER
All Trust and Agency Funds
Combining Balance Sheet
December 31, 1986

	<u>Town Trust Funds</u>	
	<u>Expendable</u>	<u>Nonexpendable</u>
<u>ASSETS</u>		
Cash	\$63,787.62	\$110,603.15
Investments, At Cost	-	423,497.92
Due From Other Funds	-	-
Due From Others	-	-
TOTAL ASSETS	<u>\$63,787.62</u>	<u>\$534,101.07</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
<u>Liabilities</u>		
Due To Other Funds	\$28,008.55	\$ -
Due To Others	27,613.68	-
Total Liabilities	<u>55,622.23</u>	
 <u>Fund Balances</u>		
Reserved For Endowments	8,165.39	534,101.07
Unreserved		
Designated for Capital		
Acquisitions	-	-
Total Fund Balances	<u>8,165.39</u>	<u>534,101.07</u>
TOTAL LIABILITIES		
AND FUND BALANCES	<u>\$63,787.62</u>	<u>\$534,101.07</u>

Capital Reserve Funds	Colonel F.L. Town Trust Funds		Totals December 31, 1986
	<u>Expendable</u>	<u>Nonexpendable</u>	
\$404,722.31	\$ -	\$ 197,617.30	\$ 776,730.38
-	-	1,336,612.75	1,760,110.67
-	-	-	-
-	-	-	-
<u>\$404,722.31</u>	<u>\$ -</u>	<u>\$1,534,230.05</u>	<u>\$2,536,841.05</u>
\$ -	\$ -	\$ -	\$ 28,008.55
-	-	-	27,613.68
-	-	-	55,622.23
-	-	1,534,230.05	2,076,496.51
404,722.31	-	-	404,722.31
<u>404,722.31</u>	<u>-</u>	<u>1,534,230.05</u>	<u>2,481,218.82</u>
<u>\$404,722.31</u>	<u>\$ -</u>	<u>\$1,534,230.05</u>	<u>\$2,536,841.05</u>

The accompanying notes form an integral part of these financial statements.

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies employed in the preparation of these financial statements.

A. Fund Accounting

The accounts of the Town are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped by type in the financial statements. The following fund types and account groups are used by the Town.

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Included in this fund type are Federal Revenue Sharing, Water and Sewer Departments, Colonel F.L. Town Income Spending Committee, Weeks Memorial Library and Cemetery Funds.

Capital Projects Funds - Transactions related to resources obtained and used for the acquisition, construction or improvement of capital facilities are accounted for in Capital Projects Funds. Such resources are derived principally from proceeds of long-term notes for bonds and from federal and state grants.

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for the assets held in trust or as an agency by the Town for others.

B. Account Groups (Fixed Assets and Long-Term Liabilities)

All governmental funds and expendable trust funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

General fixed assets have been acquired for general governmental purposes and have been recorded as expenditures in the fund making the expenditures. These expenditures are required to be capitalized at historical cost in a General Fixed Asset Groups of Accounts for accountability purposes. In accordance with the practice followed by other municipal entities in the State, the Town does not maintain a record of its general fixed assets and accordingly, a statement of general fixed assets, required by generally accepted accounting principles, is not included in this financial report.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. This account group is not a fund. It is concerned only with the measurement of financial position and net results of operations. Since they do not affect net current assets, such long-term liabilities are not recognized as governmental fund type liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

C. Basis of Accounting

The accounts of the General, Special Revenue, Capital Projects, and Expendable Trust Funds are maintained and reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, sources of financial resources and assets are recognized when measurable and available to finance operations during the year. Uses of financial resources and liabilities are recognized when obligations are incurred from receipt of goods and services, when assessments are made by the State or in the case of judgments and claims against the Town, when there is a probability that such judgments and claims will result in liabilities, the amounts of which can be reasonably estimated. Exceptions to this general rule include: 1) accumulated unpaid vacation and sick pay, and 2) principal and interest on general long-term debt which is recognized when due. All Non-expendable Trust and Agency funds are accounted for using the accrual basis of accounting.

D. Budgetary Accounting

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the Town's operations. The Town budget represents departmental appropriations as authorized by annual or special town meetings. The Selectmen may transfer funds between operating categories as they deem necessary. State Statutes require balanced budgets but provide for the use of beginning fund balance to achieve that end.

In 1986, beginning fund balance was applied as follows:

Unreserved fund balance	
to reduce tax rate	\$ 95,675.00
Beginning fund balance -	
reserved for encumbrances	<u>58,159.09</u>
	<u>\$153,834.09</u>

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures; and are therefore reported as part of the fund balance at December 31 and are carried forward to supplement appropriations of the subsequent year. The reserve for encumbrances at December 31, 1985 and 1986 consists of the following:

<u>General Fund</u>	<u>1985</u>	<u>1986</u>
Town Buildings	\$ 5,165.00	\$ 700.00
Police Department Equipment	3,500.00	17,000.00
Town Office Expense	4,524.92	2,946.01
New Equipment	-	25,606.41
Self-Insurance Reserve	1,781.91	1,902.21
Reappraisal of Property	43,187.26	72,161.31
Solid Waste - New Location	-	6,500.00
Maintenance	-	1,750.00
Legal Expense	-	4,000.00
Fire Department	-	600.00
Telephone Building Tax - Set Aside	-	12,191.35
	<u>\$58,159.09</u>	<u>\$145,357.29</u>

F. Investments

Investments in all instances are stated at cost, or in the case of donated investments, at market value at the time of bequest or receipt. Investments at December 31, 1986 consist of bank certificates of deposits and bank money market accounts.

G. Inventories

Inventory in the General and Special Revenue funds consists of expendable supplies held for consumption. The cost thereof has been recorded as an expenditure at the time individual inventory items were purchased.

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

H. Accumulated Unpaid Vacation and Sick Pay

Accumulated unpaid vacation and sick pay is not accrued in the governmental funds using the modified accrual basis of accounting. After six months, employees may accumulate sick leave at a rate of one day per month, up to sixty days. The value of sick leave at December 31 is approximately \$59,305.00. Vacation is granted in varying amounts based on length of service. Vacation pay accumulation does not exceed a normal year's allowance.

I. Taxes Collected For Others

The property taxes collected by the Town include taxes levied for the White Mountain Regional School District and Coos County which are remitted to these governmental units as required by law. The ultimate responsibility for the collection of taxes rests with the Town. The payments are recorded in the general fund as intergovernmental transfers.

An analysis of the 1985 and 1986 property tax levy is presented below.

	1985	1985	1986	1986
	<u>Amount Levied</u>	<u>%</u>	<u>Amount Levied</u>	<u>%</u>
Town of Lancaster	\$ 235,247.00	12	\$ 289,455.00	15
White Mountains				
Regional School				
District	1,478,036.00	78	1,581,411.00	77
Coos County	<u>184,290.00</u>	<u>10</u>	<u>172,585.00</u>	<u>8</u>
	<u>\$1,897,573.00</u>	<u>100</u>	<u>\$2,043,451.00</u>	<u>100</u>

J. Property Taxes

Annually, the Town establishes and raises through taxation an amount for abatements and refunds of property and resident tax revenues, known as overlay. All abatements and refunds are charged to this account. The amount raised in 1986 was \$24,943.00 and expenditures amounted to \$26,783.15.

As prescribed by law, the Tax Collector sells at tax sale all uncollected property taxes in the following year after taxes are due. The purchaser at tax sale has a priority tax lien on these properties and accrued interest at 18% per annum. Delinquent taxpayers must redeem property from tax sale purchasers.

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

Property is sold to the party who will accept a lien for the least undivided interest in the property for payment of taxes and related costs due. If property is not redeemed within the two year redemption period, the property is tax-deeded to the lien holder.

K. Interfund Transactions

During the course of normal operations, the Town has numerous transactions between funds, including expenditures and transfers of resources to provide services and fund capital outlay. The accompanying governmental and fiduciary fund financial statements reflect such transactions as transfers.

L. Interfund Receivable and Payable Balances

Individual fund interfund receivable and payable balances at December 31, 1986, were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 14,562.02	\$ 15,033.07
Special Revenue Funds	74,343.77	5,131.41
Capital Projects Funds	83,734.73	78,132.27
Trust Funds	-	28,008.55
 Paid From Colonel Town Trust Fund As of December 31, 1986 and recorded in the Colonel Town Income Spending Committee in January of 1987	 <u>-</u>	 <u>46,335.22</u>
	<u>\$172,640.52</u>	<u>\$172,640.52</u>

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

NOTE 2 - CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the Town for the fiscal year ended December 31, 1986.

	<u>General Obligation Debt</u>
Long-term Debt	
Payable January 1, 1986	\$759,950.00
Long-term Debt Retired	(123,725.00)
Long-term Debt Proceeds	<u>90,000.00</u>
Long-term Debt	
Payable December 31, 1986	<u>\$726,225.00</u>

Long-term debt payable at December 31, 1986, is comprised of the following individual issues:

General Obligation Bonds

\$2,170,000.00 Sewer Bonds due in
annual installments of
\$110,000.00 through 1989 and
\$110,000.00 through 1992;
interest at 4.50%

\$630,000.00

\$24,900.00 Garland Bridge Note
Payable - Siwooganock Savings
Bank - Due in annual installments
of \$6,225.00 through 1987 at
6.75% interest

\$ 6,225.00

\$90,000.00 Police Station Note
Payable - Siwooganock Savings
Bank - Due in annual installments
of \$9,000.00 through 1996
at 6% interest.

\$ 90,000.00

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

The annual requirements to amortize all debt outstanding as of December 31, 1986, including interest payments, are as follows:

Annual Requirements To Amortize Long-Term Debt

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Sewer Bonds</u>			
1987	\$110,000.00	\$ 25,875.00	\$135,875.00
1988-92	520,000.00	57,150.00	577,150.00
Total Sewer Bonds	<u>630,000.00</u>	<u>83,025.00</u>	<u>713,025.00</u>
<u>Bridge Note</u>			
1987	<u>6,225.00</u>	<u>420.19</u>	<u>6,645.19</u>
<u>Police Station</u> <u>Note</u>			
1987	9,000.00	5,400.00	14,400.00
1988-1996	<u>81,000.00</u>	<u>24,300.00</u>	<u>105,300.00</u>
Total Police Note	<u>90,000.00</u>	<u>29,700.00</u>	<u>119,700.00</u>
Total Long-Term Debt	<u>\$726,225.00</u>	<u>\$113,145.19</u>	<u>\$839,370.19</u>

NOTE 3 - CAPITAL PROJECTS FUNDS

Bonds or notes authorized to finance construction of capital projects are not recognized in the financial statements until issued. As noted below, \$97,000.00 has been authorized for long-term borrowing to finance these projects, but has not been issued at December 31, 1986.

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

Bonds or notes authorized - unissued at December 31, 1986,
are as follows:

<u>Town Meeting</u>	<u>Article No.</u>	<u>Authorized</u>	<u>Purpose</u>
1979	8	\$20,000.00	Solid Waste Landfill
			Land Acquisition
1980	7	55,000.00	Blade Brook Bridge
1981	6	<u>22,000.00</u>	Burnside Brook Bridge
		<u>\$97,000.00</u>	

NOTE 4 - CAPITAL RESERVE FUNDS

The capital reserve fund balances held by the Trustee of Trust
Funds at December 31, 1985 and 1986 are as follows:

	<u>1985 Amount</u>	<u>1986 Amount</u>
School Septic System	\$ 18,780.50	\$ 6,728.45
Water Department	110,249.42	117,160.15
Highway Department	75,701.73	104,446.91
Fire Department Equipment	87,210.87	100,677.47
Ambulance	9,577.19	13,154.97
School Bus Fund	6,452.07	6,837.01
Sewer Department	24,213.01	33,730.74
Town Garage	6,816.48	7,223.18
School Copier	2,054.04	4,267.56
School Computer	-	10,495.87
	<u>\$341,055.31</u>	<u>\$404,722.31</u>

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

NOTE 5 - PENSION PLAN

Full-time police and certain Town employees participate in the State of New Hampshire Retirement System. The Town's Contribution for normal cost of the plan is based upon an actuarial valuation of the entire State plan. Since the actuarial valuation is performed on the entire State plan the amount, if any, of the excess of vested benefits over pension fund assets is not available. The Town does not have an accrued liability for past service costs. Pension costs amounted to \$11,777.02 in 1986 for all Town departments.

NOTE 6 - TRUST FUNDS

The principal amount of all nonexpendable trust funds is restricted either by law or by terms of individual bequests in that only income earned may be expended. The Town's non-expendable and expendable trust funds at December 31, 1986 are detailed as follows:

	<u>Nonexpendable</u>	<u>Expendable</u>
Cemetery and Perpetual Care	\$ 364,151.37	\$ 3,212.26
Library	30,409.34	-
Town Needy	116,610.78	-
Colonel F.L. Town Trust	1,534,230.05	-
Parks	6,718.79	4,312.13
School	5,668.45	-
Historical Research	957.14	-
Benefit Public Nursing	1,105.20	641.00
School Scholarship	8,480.00	-
	<u>\$2,068,331.12</u>	<u>\$ 8,165.39</u>

NOTE 7 - FINANCIAL STATEMENTS NOT INCLUDED

Financial statements of the district court are not included in the annual financial report of the Town because the funds are not administered by elected officials of the Town. The Town only provides space to the Administration Committee of District and Municipal Courts, which has total jurisdiction over the administration of the Lancaster District Court.

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

NOTE 8 - RELIANCE ON OTHER AUDITORS' REPORT

We have engaged the services of another Certified Public Accountant to audit the records of the Town Trust Funds, and Capital Reserve Funds, because during the year we made bank deposits of dividend income on behalf of the Trustees and as such, under Rule 101 of the Code of Ethics of the American Institute of Certified Public Accountants, we were not completely independent and could not audit or express an Auditor's Opinion on the Trust Funds Financial Statements.

SUPPLEMENTAL
SCHEDULES

TOWN OF LANCASTERSCHEDULE 1General FundStatement of Estimated and Actual Revenues
For The Fiscal Year Ended December 31, 1986

			Over (Under)
<u>Taxes</u>	<u>Estimated</u>	<u>Actual</u>	<u>Budget</u>
Interest and Penalties	\$ 51,500.00	\$ 63,583.09	\$ 12,083.09
Property and Inventory	2,057,451.00	2,050,699.57	(6,751.43)
Resident	20,700.00	22,330.00	1,630.00
National Bank Stock	2,000.00	1,894.50	(105.50)
Yield	5,000.00	13,682.21	8,682.21
	<u>2,136,651.00</u>	<u>2,152,189.37</u>	<u>15,538.37</u>
<u>State of New Hampshire</u>			
Shared Revenue	232,500.00	233,360.81	860.81
Highway Subsidy	47,046.00	47,045.92	(.08)
Other	90.00	119.39	29.39
Aid For Water Pollution			
Projects	73,631.00	73,631.00	-
State/Federal Forest Land	2,489.00	1,960.76	(528.24)
	<u>355,756.00</u>	<u>356,117.88</u>	<u>361.88</u>
<u>Local Sources, Except Taxes</u>			
Motor Vehicle Permit Fees	163,000.00	179,071.40	16,071.40
Dog Licenses	1,600.00	1,741.82	141.82
Business Licenses, Permits			
and Fees	9,300.00	9,942.95	642.95
District Court Receipts	-	685.00	685.00
Rent of Town Property	5,700.00	7,013.80	1,313.80
Interest on Deposits	31,000.00	26,998.80	(4,001.20)
Income From Departments	6,000.00	-	(6,000.00)
Sale of Town Property	-	4,574.00	4,574.00
Other Income	27,935.00	64,164.04	36,229.04
Total Local Sources,			
Except Taxes	<u>244,535.00</u>	<u>294,191.81</u>	<u>49,656.81</u>
<u>Interfund Transfers</u>			
<u>Special Revenue Funds</u>			
Revenue Sharing	58,300.00	47,855.87	(10,444.13)
Sewage Treatment	67,351.00	67,351.00	-
Capital Reserve	9,000.00	-	(9,000.00)
	<u>134,651.00</u>	<u>115,206.87</u>	<u>(19,444.13)</u>
<u>Total Revenues</u>	<u>2,871,593.00</u>	<u>2,917,705.93</u>	<u>46,112.93</u>
<u>Fund Balance Used To Reduce</u>			
<u>Tax Rate</u>	<u>95,675.00</u>	<u>-</u>	<u>(95,675.00)</u>
<u>Total Revenues and Use of</u>			
<u>Fund Balance</u>	<u>\$2,967,268.00</u>	<u>\$2,917,705.93</u>	<u>\$ (49,562.07)</u>

SCHEDULE 2TOWN OF LANCASTERGeneral FundStatement of Appropriations, Expenditures and EncumbrancesFor The Fiscal Year Ended December 31, 1986

	<u>Encumbered From 1985</u>	<u>Appropriations 1986</u>
<u>General Government</u>		
Town Office Salaries	\$ -	\$ 54,410.00
Town Office Expenses	6,306.83	25,000.00
Election and Registration Expenses	-	1,400.00
Town Building Maintenance	5,165.00	26,460.00
Reappraisal of Property	43,187.26	25,500.00
Total General Government	<u>54,659.09</u>	<u>132,770.00</u>
<u>Protection of Persons and Property</u>		
Police Department	3,500.00	148,300.00
Fire Department, Including Forest Fires	-	30,800.00
Planning and Zoning	-	4,331.00
Insurance	-	50,135.00
Total Protection of Persons and Property	<u>3,500.00</u>	<u>233,566.00</u>
<u>Health and Sanitation</u>		
Animal Control	-	900.00
Health Associations	-	14,094.00
Ambulance	-	20,500.00
Town Dump	-	81,000.00
Total Health and Sanitation	<u>-</u>	<u>116,494.00</u>
<u>Highways and Bridges</u>		
Town Road Aid	-	-
Town Maintenance	-	254,950.00
Street Lighting	-	34,000.00
Total Highway and Bridges	<u>-</u>	<u>288,950.00</u>
<u>Libraries</u>	<u>-</u>	<u>36,564.00</u>
<u>Public Welfare</u>		
Town Poor and CAP Donation	-	12,600.00
Old Age Assistance	-	4,000.00
Total Public Welfare	<u>-</u>	<u>16,600.00</u>
<u>Patriotic Purposes</u>	<u>-</u>	<u>500.00</u>
<u>Recreation</u>	<u>-</u>	<u>3,500.00</u>
<u>Cemeteries</u>	<u>-</u>	<u>3,500.00</u>

SCHEDULE 2

<u>Expenditures</u> <u>Net of Refunds</u>	<u>Encumbered</u> <u>To 1986</u>	(Over) Under <u>Budget</u>
\$ 54,613.09	\$ -	\$ (203.09)
30,261.64	4,848.22	(3,803.03)
1,312.76	-	87.24
26,336.68	700.00	4,588.32
-	72,161.31	(3,474.05)
<u>112,524.17</u>	<u>77,709.53</u>	<u>(2,804.61)</u>
136,925.64	17,000.00	(2,125.64)
24,160.76	600.00	6,039.24
1,625.01	-	2,705.99
<u>67,141.00</u>	<u>-</u>	<u>(17,006.00)</u>
<u>229,852.41</u>	<u>17,600.00</u>	<u>(10,386.41)</u>
492.00	-	408.00
14,094.00	-	-
23,773.25	-	(3,273.25)
73,509.12	6,500.00	990.88
<u>111,868.37</u>	<u>6,500.00</u>	<u>(1,874.37)</u>
412.50	-	(412.50)
250,087.12	1,750.00	3,112.88
32,274.37	-	1,725.63
<u>282,773.99</u>	<u>1,750.00</u>	<u>4,426.01</u>
<u>36,564.00</u>	<u>-</u>	<u>-</u>
9,665.34	-	2,934.66
1,583.20	-	2,416.80
<u>11,248.54</u>	<u>-</u>	<u>5,351.46</u>
500.00	-	-
<u>4,077.72</u>	<u>-</u>	<u>(577.72)</u>
<u>4,000.00</u>	<u>-</u>	<u>(500.00)</u>

SCHEDULE 2
CONTINUED

TOWN OF LANCASTER
General Fund

Statement of Appropriations, Expenditures and Encumbrances
For The Fiscal Year Ended December 31, 1986

	<u>Encumbered</u> <u>From 1985</u>	<u>Appropriations</u> <u>1986</u>
<u>Unclassified</u>		
Damages and Legal Expenses	-	4,000.00
Employee Benefits	-	59,975.00
Advertising and Regional Associations	-	16,350.00
Contingency Fund	-	8,000.00
	<u>-</u>	<u>88,325.00</u>
<u>Debt Service</u>		
Principal of Debt	-	123,725.00
<u>Interest on Debt</u>		
Long-Term Debt	-	32,235.00
Tax Anticipation Notes	-	11,500.00
	<u>-</u>	<u>167,460.00</u>
<u>Capital Outlay</u>		
New Equipment	-	65,100.00
Payments To Capital Reserve Funds	-	35,000.00
	<u>-</u>	<u>100,100.00</u>
<u>Total Town Appropriations</u>	<u>58,159.09</u>	<u>1,188,329.00</u>
<u>Transfers To Other Governmental</u>		
<u>Divisions</u>		
State	-	-
School District Tax	-	1,581,411.00
County Tax	-	172,585.00
Total Transfers	<u>-</u>	<u>1,753,996.00</u>
<u>Overlay</u>	-	<u>24,943.00</u>
<u>Total Town Appropriations,</u> <u>Tranfers and Overlay</u>	<u>\$58,159.09</u>	<u>\$2,967,268.00</u>

SCHEDULE 2
CONTINUED

<u>Expenditures</u> <u>Net of Refunds</u>	<u>Encumbered</u> <u>To 1987</u>	<u>(Over)</u> <u>Under</u> <u>Budget</u>
-	4,000.00	-
48,933.37	-	11,041.63
3,273.86	12,191.35	884.79
-	-	8,000.00
<u>52,207.23</u>	<u>16,191.35</u>	<u>19,926.42</u>
 123,725.00	 -	 -
32,227.88	-	7.12
9,704.09	-	1,795.91
<u>165,656.97</u>	<u>-</u>	<u>1,803.03</u>
 35,692.62	 25,606.41	 3,800.97
35,000.00	-	-
<u>70,692.62</u>	<u>25,606.41</u>	<u>3,800.97</u>
<u>1,081,966.02</u>	<u>145,357.29</u>	<u>19,164.78</u>
 143.00	 -	 (143.00)
1,581,410.90	-	.10
172,585.00	-	-
<u>1,754,138.90</u>	<u>-</u>	<u>(142.90)</u>
 26,783.15	 -	 (1,840.15)
<u>\$2,862,888.07</u>	<u>\$145,357.29</u>	<u>\$17,181.73</u>

Federal Revenue Sharing Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Fiscal Year Ended December 31, 1986

<u>Revenues</u>		
Federal Entitlements	\$27,554.00	
Interest Income	2,350.64	
<u>Total Revenues</u>		\$29,904.64
<u>Expenditures</u>		
New Equipment	31,055.87	
Fire Equipment	2,500.00	
Police Department	<u>14,300.00</u>	
<u>Total Expenditures</u>		<u>47,855.87</u>
<u>Excess (Deficiency) of Revenues</u>		
<u>Over Expenditures</u>		(17,951.23)
<u>Fund Balance - January 1</u>		<u>17,951.23</u>
<u>Fund Balance - December 31</u>		<u>\$ -</u>

The accompanying notes form an integral part of these financial statements.

TOWN OF LANCASTER
Water Department Fund

SCHEDULE 4

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Fiscal Year Ended December 31, 1986

<u>Revenues</u>		
Water Rents	\$94,348.64	
Job Works	70.15	
Interest	<u>2,751.85</u>	
<u>Total Revenues</u>		\$97,170.64
<u>Expenditures and Other Uses</u>		
Salaries and Wages	41,273.21	
Chemicals and Supplies	13,975.09	
Telephone	300.00	
Employee Benefits	7,748.40	
Insurance	2,200.00	
Truck and Equipment Expense	1,224.70	
Miscellaneous	<u>2,315.04</u>	
<u>Total Expenditures</u>		<u>69,036.44</u>
<u>Excess of Revenues Over Expenditures</u>		28,134.20
<u>Fund Balance - January 1</u>		<u>38,913.37</u>
<u>Fund Balance - December 31</u>		<u>\$67,047.57</u>

The accompanying notes form an integral part of these financial statements.

Sewer Department FundStatement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended December 31, 1986Revenues

Sewer Rents	\$75,302.29
Job Works	736.50
Interest	<u>2,150.75</u>

Total Revenues

\$78,189.54

Expenditures

Officers' Salaries	2,000.00
Salaries and Wages	17,219.15
Chemicals and Supplies	1,265.88
Utilities and Telephone	16,772.57
Employee Benefits	3,066.12
Postage and Supplies	83.26
Truck Expense	1,736.71
Insurance	1,150.00
Other Expense	300.00
Plant Repairs & Supplies	<u>4,298.87</u>
	<u>47,892.56</u>

Other Uses

Interfund Transfers	
Capital Reserve Fund	<u>8,000.00</u>

Total Expenditures and Other Uses55,892.56Excess of Revenues Over (Under)

<u>Expenditures and Other Uses</u>	22,296.98
------------------------------------	-----------

Fund Balance - January 123,413.95Fund Balance - December 31\$45,710.93

The accompanying notes form an integral part of these financial statements

Colonel F.L. Town Fund - Income Spending Committee
Statement of Revenues, Expenditures and Changes in Fund Balance
For The Fiscal Year Ended December 31, 1986

Revenues

Special Activities, Programs and Fees	\$ 13,531.29
Interest Income	1,049.93
	<u>14,581.22</u>

Other Financing Sources

<u>Interfund Transfers</u>	
Colonel F.L. Town Trust	<u>110,731.23</u>

Total Revenues and Other Sources

\$125,312.45

Expenditures

Salaries and Wages	50,632.06
Employee Benefits	9,201.52
Supplies	6,350.52
Insurance	18,455.00
Utilities and Heat	9,164.21
Activities	11,310.83
Capital Expenditures	4,502.89
Vehicle Expense	2,309.43
Repairs and Maintenance	2,461.28
Grants and Donations	550.00
Other	971.29
Treasurer	800.00
Conferences and Meetings	564.00
	<u>117,273.03</u>

Other Uses

<u>Interfund Transfers</u>	
Library Fund	<u>2,500.00</u>

Total Expenditures and Other Uses119,773.03Excess of Revenues and Other Sources

<u>Over (Under) Expenditures and Other Uses</u>	<u>5,539.42</u>
---	-----------------

Fund Balance - January 146,550.43Fund Balance - December 31\$ 52,089.85

The accompanying notes form an integral part of these financial statements.

Weeks Memorial Library Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Fiscal Year Ended December 31, 1986

Revenues

Interest Income	\$ 958.25
Fines and Miscellaneous	5,690.45
Insurance Proceeds	1,100.00
	<u>7,748.70</u>

Other Financing SourcesInterfund Transfers

General Fund	36,564.00
Town Trusts	3,917.99
Colonel F.L. Town Trust	2,500.00
	<u>42,981.99</u>

Total Revenues and Other Sources

\$50,730.69

Expenditures

Salaries and Wages	18,282.93
Employee Benefits and	
Payroll Taxes	3,660.72
Books and Periodicals	13,476.82
Heat and Utilities and	
Telephone	2,864.80
Insurance	1,746.00
Maintenance and Repairs	1,376.73
Supplies and Miscellaneous	1,530.33
Engery Conservation	1,003.40
Capital Expenditure - Carpet &	
Equipment	<u>5,109.94</u>

Total Expenditures49,051.67Excess of Revenues and OtherSources Over (Under) Expenditures

1,679.02

Fund Balance - January 19,102.24Fund Balance - December 31\$10,781.26

The accompanying notes form an integral part of these financial statements.

TOWN OF LANCASTERSCHEDULE 8Cemetery TrustStatement of Revenues, Expenditures and Changes in Fund Balance
For The Fiscal Year Ended December 31, 1986Revenues

Perpetual Care	\$ 1,600.00
Sale of Lots	1,600.00
Burials	2,905.00
Care of Lots	271.00
Interest Income	4,020.95
	<u>10,396.95</u>

Other Financing SourcesInterfund Transfers

General Fund	3,500.00
Trust Funds	29,385.41
	<u>32,885.41</u>

Total Revenues and Other Sources

\$43,282.36

Expenditures

Salaries and Wages	20,779.99
Employee Benefits	3,000.06
Operating Supplies	1,838.69
Repairs	1,729.35
Vehicle Allowance	474.99
New Equipment	959.00
Utilities and Telephone	379.25
Insurance	1,217.00
Miscellaneous	2,438.54
Capital Projects	4,209.64
Miscellaneous Labor	360.00
	<u>37,386.51</u>

Other UsesInterfund Transfers

Trust Funds	<u>1,600.00</u>
-------------	-----------------

Total Expenditures and Other Uses38,986.51Excess of Revenues and Other SourcesOver Expenditures and Other Uses

4,295.85

Fund Balance - January 175,970.57Fund Balance - December 31\$80,266.42

The accompanying notes form an integral part of these financial statements.

TOWN OF LANCASTER SCHEDULE 9
Supplemental Schedule of Federal Financial Assistance
For The Year Ended December 31, 1986

<u>Agency/Grant Title</u>	<u>Fed. Asst. ID #</u>	<u>Revenue Received</u>	<u>Grant Expenditures</u>
<u>Environmental Protection</u> <u>Agency</u>			
Wastewater Treatment Facility	C-330228-02&03	\$400,500.00	\$369,009.38
<u>Revenue Sharing</u>	303004010	27,554.00	47,855.87

NOTE - The above Schedule has been prepared on the cash basis of accounting.

TOWN OF LANCASTER

Summary of Warrants

Fiscal Year Ended December 31, 1986

-DR-	LEVIES OF:	
	1986	Prior Years
Uncollected Taxes-Beginning Fiscal Year		
Property	\$	\$ 281,126.00
Resident		8,100.00
Yield		1,640.00
Sewer Rents		7,029.00
Taxes Committee to Collector		
Property	\$2,043,757.00	\$ 244.00
Resident	21,490.00	
National Bank Stock	1,907.00	
Land Use	800.00	
Yield	13,682.00	
Sewer Rents	76,600.00	
Added Taxes:		
Property	\$ 6,627.00	\$ 90.00
Resident	971.00	
Interest Collected on Delinquent Taxes	3,261.00	23,465.00
Penalties Collected on Resident Taxes	72.00	386.00
TOTAL DEBITS	\$2,170,679.00	\$ 320,679.00

TOWN OF LANCASTER

Summary of Warrants Fiscal Year Ended December 31, 1986

-CR-

LEVIES OF:

1986

Prior Years

Remittances to Treasurer		
Property Taxes	\$ 1,746,552.00	\$ 282,131.00
Resident Taxes	16,551.00	3,876.00
Yield Taxes	10,546.00	1,640.00
Sewer Rents	69,571.00	7,029.00
Land Use	800.00	
Interest Collected	3,261.00	23,466.00
Penalties on Resident Tax	72.00	386.00
National Bank Stock	1,907.00	
Jeopardy Assessment	1,512.00	
Abatements Allowed		
Property	\$ 19,391.00	\$
Resident	1,740.00	2,400.00
Uncollected Taxes-End of Fiscal Year		
Property	\$ 284,440.00	\$
Resident	4,170.00	1,920.00
Yield	<u>3,136.00</u>	
TOTAL CREDITS	\$ 2,163,650.00	\$ 320,679.00

Summary of Tax Sale

Fiscal Year Ended December 31, 1986

LEVIES OF:

1985

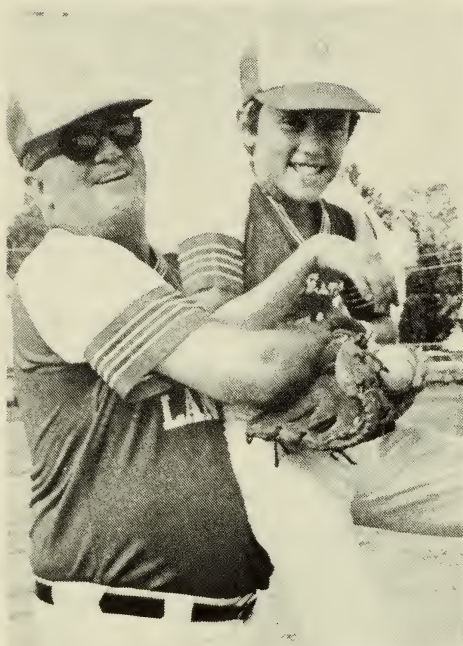
Prior Years

-DR-

Unredeemed Taxes - Beginning Fiscal Year	\$	\$ 138,688.00
Taxes Sold to Town During Current Fiscal Year	160,273.00	
Interest Collected After Sale	<u>3,053.00</u>	<u>33,590.00</u>
TOTAL DEBITS	\$ 163,326.00	\$ 172,278.00

-CR-

Redemptions	\$ 83,761.00	\$ 113,046.00
Interest & Costs After Sale	3,053.00	33,589.00
Abatements During Year	1,101.00	
Unredeemed Taxes-End of Fiscal Year	75,411.00	24,641.00
TOTAL CREDITS	\$ 163,326.00	\$ 172,278.00



Lancaster pitcher Adam Oleson being congratulated by Manager Lou Leaver after pitching the local all-stars to a win in the New England tournament held at the Colonel Town Community Field.



New England Bambino tournament director Dick McGuire of Maine presenting Tournament Chairman Jim Hampton with an award for excellence.

TOWN TELEPHONE DIRECTORY

TOWN MANAGER, Donald E. Crane.....	788-3391
TOWN CLERK, Jean E. Oleson.....	788-2306
TOWN TREASURER/ACCOUNTANT, Michael W. Nadeau.....	788-3391
TAX, WATER/SEWER COLLECTOR, Ann M. Huddleston.....	788-3391
INFORMATION ON ZONING AND BUILDING PERMITS.....	788-3391
PUBLIC HEALTH NURSING SERVICE.....	788-2366
COLONEL TOWN COMMUNITY CENTER.....	788-3321
LANCASTER ELEMENTARY SCHOOL DEPARTMENT.....	788-4924
SUPERINTENDENT OF SCHOOLS OFFICE.....	837-2553
WEEKS MEMORIAL HOSPITAL.....	788-4911

EMERGENCY NUMBERS

POLICE DEPARTMENT.....	788-4402
FIRE DEPARTMENT.....	788-4830
CIVIL DEFENSE.....	788-3391
AMBULANCE.....	788-4911

TOWN OF LANCASTER

P. O. Box 151
LANCASTER, NEW HAMPSHIRE 03584

TO

Special Collections
UNH Library
Durham, N.H. 03824

RETURN POSTAGE GUARANTEED

Corner Elm, Burnside and Winter Streets
Corner Elm and Water Streets
Prospect Park
Portland Street near John Brooks
Water and Winter Streets
Corner Summer and Wolcott Streets
Corner Railroad and Depot Sts., B&M Crossing
Corner High and Summer Streets
Corner Summer and Middle Streets
Corner Middle and Wesson Streets
Corner Middle, Hill and Mechanic Streets
North Road (Beyond Hospital)
Thompson Manufacturing Co.
Corner Main & Middle Sts., near Chesley Block
Corner Main and Parks Streets
WEEKS MEMORIAL HOSPITAL
ELEMENTARY SCHOOL BUILDING
Country Village Health Care Center
Bunker Hill Street by M.C.R.R. Crossing
Top of Bunker Hill Street
McKerley Sheltered Home (Old Kent Nursing Home)
Red Cross - CD Emergency First Aid
NATIONAL GUARD
ALL SCHOOLS CLOSED ENTIRE DAY

CIVILIAN DEFENSE SIGNALS

Alert Signal - Steady Blast 3 minutes
Take Cover Signal - Short Blast 3 minutes
Clear - 30 second Blast - 2 minutes silence, repeat

